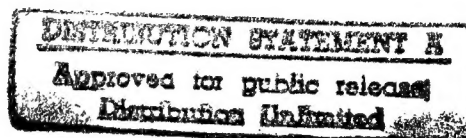




**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

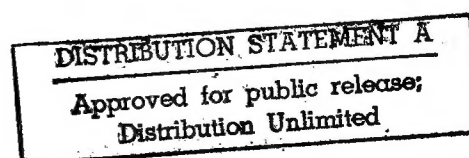


Near East & South Asia

ALGERIA

19980129 116

DTIC QUALITY INSPECTED 2



Near East & South Asia

ALGERIA

JPRS-NEA-93-050

CONTENTS

15 April 1993

POLITICAL

International Affairs

France Reportedly To Begin Expelling 'FIS' [EL WATAN 28 Jan]	1
Ten-Year Assessment of Trade With France [EL WATAN 20 Jan]	1
Sixty War-Wounded Bosnians Treated [EL MOUDJAHID 23 Feb]	3

Regional Affairs

Relations With Saudi Arabia 'Warming up' [LIBERTE 18 Jan]	4
Arms Trafficking; Libyan Role, Arms Seized [EL WATAN 25 Feb]	4
Figures on Illegal Immigrants in South [EL WATAN 23 Feb]	5

Internal Affairs

Abdesselam's Ability To Govern Questioned [EL WATAN 6 Mar]	6
Government Said Siding With Fundamentalists [Paris LE MONDE 6 Mar]	6
ANP Unity, Role of HCE Discussed [HEBDO LIBERE 2-10 Feb]	7
Background on MIA Leader Following Arrest [ALGERIE ACTUALITE 2-8 Mar]	10
'Terrorists' Reportedly Battling for Leadership [EL WATAN 20 Feb]	11
Government Offers Second Amnesty [EL WATAN 13 Feb]	12
Arms Trafficking: New Arrests [EL WATAN 22 Feb]	12
Arrested 'Terrorist' Reports on MIA Activities [EL WATAN 22 Feb]	13
Numbers of Illegal Passports Abroad 'Alarming' [EL WATAN 20 Jan]	14

ECONOMIC

Economic Forecast for 1993-95 'Positive' [ALGER REPUBLICAIN 25 Jan]	16
New Regulations To Encourage Foreign Banks [EL WATAN 27 Jan]	16
Energy Minister on Hydrocarbons, Exports [ALGERIE ACTUALITE 10-16 Feb]	17
Industrial Production Down; Factors Discussed [ALGER REPUBLICAIN 18 Jan]	19
Program Launched To Reduce Food Imports [LIBERTE 15 Feb]	20
Traffic at Algiers Port Reportedly Down [LE SOIR D'ALGERIE 29-30 Jan]	20
Sonatrach CEO on Performance, Future Plans [EL MOUDJAHID 9 Feb]	21
Sonatrach Reports Prosperous 1992 [LIBERTE 10 Feb]	24
Price Controls: Food Shortages at Markets [ALGERIE ACTUALITE 2-8 Mar]	24
Action Plan To Resolve Water Shortages [LIBERTE 23 Feb]	25

SOCIAL ISSUES

Mechanism To Safeguard Human Rights Urged [EL WATAN 24 Feb]	27
Efforts by Health Ministry To Control Birthrate [EL WATAN 27 Jan]	27

International Affairs

France Reportedly To Begin Expelling 'FIS'

93AF0418B Algiers EL WATAN in French
28 Jan 93 pp 1, 2

[Article by Paris correspondent Omar Berbiche: "Paris Reconsiders Its Choice; FIS (Islamic Salvation Front) Militants Arrested in France"—first paragraph is EL WATAN introduction]

[Text] The French Government appears to find it increasingly harder to put up with the presence on French soil of the FIS (Islamic Salvation Front) militants to whom political refugee residence permits were generously issued in recent months.

According to reliable sources, the French police have started a vast combing operation to identify the many young people who are said to have falsely represented themselves as FIS militants solely to get refugee status. Many of them are expelled. They are taken out of their hotel rooms or homes in handcuffs.

Defense counsels are automatically assigned to them, but most of those who are arrested are taken back to the border. Have FIS militants suddenly become undesirable in France? Do the arrests, which have become more numerous these past few days, involve only the genuinely fake FIS militants who, thanks to the laxness of the authorities, obtained refugee status although some of them seem to have no link whatsoever with the FIS?

Whether genuine or fake militants, these young people settled in several regions of France, where they soon received the help of Islamic organizations headed by FIS sympathizers, as well as that of local authorities who opened all doors for them, helping them get residence permits, the indemnity of 2,600 French francs [Fr] that goes with the political refugee status, the RMI allowance (minimum guaranteed income) for those without a job, welfare and legal assistance (social workers and lawyers are made available to them), etc.

The refugee status, which French authorities have granted only parsimoniously in recent years, is paradoxically granted with disconcerting facility to Algerian citizens claiming to belong to the FIS.

The French Government, which has steadily denied providing any support to the FIS, will find it hard to convince people of its good faith when the media are making sensational revelations on which, so far, it has refused to comment.

Did the French minister of foreign affairs, Mr. Roland Dumas's recent visit to Algiers, during which he tried to reassure the Algerian Government as to the manner in which he is handling the FIS "equation" on French soil, mark a new turning point in France's assessment of the political situation in Algeria?

It is still too soon to say.

But one thing is certain: France, which decisively and completely sided with the FIS after the first round of the legislative elections, is now becoming increasingly aware that it had chosen a shortsighted policy that did affect relations between Paris and Algiers.

Do the current arrests of FIS militants herald a change in French policy toward the FIS? For the time being, only rank-and-file militants seem to be affected by these arrests, the motives of which are not known yet.

The next few days will tell whether this is a law-and-order operation—some (genuine or fake) FIS militants are said to be involved in common crimes—or a refocusing of France's Algerian policy.

Ten-Year Assessment of Trade With France

93AF0444B Algiers EL WATAN in French
20 Jan 93 p 15-16

[Article by Abdeslam Daouzli: "Algeria-France: Bilateral Trade Assessment"]

[Text] With relations between Algeria and France "front-page" news these days, it is a good time to draw up the balance sheet on more than a decade of commercial ties.

France, with its traditional ties to us, is one of Algeria's leading trade partners.

By way of illustration, as of 1991 France was still Algeria's foremost customer and biggest supplier, taking about 20 percent of all our imports.

Our "peak" year in terms of exports was 1983, when France was responsible for 34 percent of our external sales, while the peak year in terms of imports was 1990 (close to 25 percent).

Table 1 retraces the growth of imports from and exports to France between 1980 and 1991.

Figures are given in current dinars and in U.S. dollars.

The import-export coverage ratio varied between 76 and 155 percent during those years. One notes a "zigzag" trend-line, with the coverage ratio running at about 80 percent in 1980, 1986, and 1990, and close to 145 percent in 1987, 1984, and 1991.

If we look only at current dinar values, total imports and exports appear to have grown by leaps and bounds between 1980 and 1991. In reality, however, the overvaluing of the dinar during the early 1980s and the sharp devaluation of 1985, followed by further devaluation at the start of the 1990s, tend to mask a significant decline in the physical volume of trade. The reality is shown by the U.S. dollar values of imports and exports.

Measured in those terms, imports reached their lowest point in 1988 at \$1.218 billion and peaked in 1985 at \$2.694 billion, twice that amount.

Exports reached their highest level in 1983 (\$3.689 billion) and "bottomed out" at \$1.403 billion in 1988.

Table 2 shows relative percentages of industrial and food product imports.

We note that up to 1988 France's share of Algeria's total food imports varied between 9 and 14 percent. Starting in 1989, that share increases, ranging from 18 to 27 percent.

France's share of our industrial imports declines slightly between 1980 and 1991: It was in the 20-26-percent range from 1980 to 1988, but in the 16-22-percent range between 1989 and 1991.

Table 3 summarizes the distribution of imports between food and industrial products.

It could be noted that industrial products, which used to account for 91 percent of our imports from France, have

declined markedly since 1986: That year they accounted for only 87 percent, and by 1991 they were down to 69 percent.

Conversely, the food products portion has been increasing steadily since 1984, rising from 9 percent that year to 31 percent in 1991.

Table 4 shows us France's standing among Algeria's hydrocarbon customers. Between 1982 and 1985, France purchased 30 to 34 percent of our oil exports, in other words about one-third. In 1985, the French share declined to about 20 percent; it was 19 percent in 1991.

Table 5 shows hydrocarbons as a share of our total exports to France.

That percentage, which peaked at more than 99 percent between 1980 and 1985, has been slightly under 98 percent since 1988.

Although there is no need to comment further on our dependence on a single export category, it would not be out of place to consider ways and means of increasing our exports of other products that yield greater added-value.

Table 1: Evolution of Algero-French Trade

	Millions of current dinars			Millions of US Dollars	
	Imports	Exports	Coverage ratio (%)	Imports	Exports
1980	9,381	8,028	85	2,363	2,022
1982	10,352	16,132	155	2,231	3,477
1984	12,063	16,806	139	2,356	3,282
1986	10,404	7,937	76	2,159	1,647
1988	8,196	9,443	115	1,218	1,403
1990	20,146	17,460	86	1,653	1,432
1991	29,541	41,233	139	1,407	1,963

**Table 2: Structure of Imports From France and French Share of Total Imports
(in millions of dinars)**

	Food products		Industrial products	
	Imports from France	As percent of total imports	Imports from France	As percent of total imports
1980	841	11.0	8,540	26.0
1982	854	9.2	9,498	23.7
1984	1,041	11.8	11,022	26.0
1986	1,302	14.9	9,102	26.2
1988	1,481	13.8	6,715	20.5
1990	5,203	27.2	14,943	22.2
1991	9,103	25.9	20,438	19.6

Table 3: Food Versus Industrial Imports From France
(in millions of dinars)

	Food products		Industrial products		Total imports from France
	Value	Percent	Value	Percent	Value
1980	841	9	8,540	91	9,381
1982	854	9	9,498	91	10,352
1984	1,041	9	11,022	91	12,063
1986	1,302	13	9,102	87	10,404
1988	1,481	19	6,715	81	8,196
1990	5,203	26	14,943	74	20,146
1991	9,103	31	20,438	69	29,541

Table 4: France's Share of Hydrocarbon Exports
(in millions of dinars)

	Total hydrocarbon exports	Exports to France	French share (%)
1980	59,025	7,913	13.4
1982	51,633	16,011	31.0
1984	57,662	16,698	28.9
1986	35,935	7,824	21.8
1988	45,582	9,244	20.3
1990	97,027	17,051	17.6
1991	212,626	40,344	19.0

Table 5: Hydrocarbons as Share of Exports to France
(in millions of dinars)

	Value of exports to France	Value of hydrocarbon exports	Hydrocarbons as percent of total
1980	8,028	7,913	98.56
1982	16,132	16,011	99.24
1984	16,806	16,698	99.35
1986	7,937	7,824	98.57
1988	9,443	9,244	97.89
1990	17,460	17,051	97.65
1991	41,233	40,344	97.84

Sixty War-Wounded Bosnians Treated

93AF0461A Algiers EL MOUDJAHID in French
23 Feb 93 p 3

[Article by Sonia Louzini: "Algeria Takes In 60 War-Wounded Bosnians"—first paragraph is EL MOUJAHID introduction]

[Text] About 60 war-wounded Bosnians arrived at the Algiers airport yesterday afternoon. The operation was initiated by the Algerian Committee of Solidarity with the People of Bosnia-Herzegovina, in collaboration, among others, with the Health Ministries of Bosnia-Herzegovina and Algeria.

It was with considerable emotion that several political personalities welcomed the wounded Bosnian youths

yesterday. Messrs. Ait Chaalal, spokesman for the government; Chibout, veterans minister; Babes, health and population minister; Khellaf, minister delegate to cooperation and Maghreb affairs; Lamouri, minister of religious affairs; Hamdi, minister of labor and social affairs; Mrs. Benhabyles, minister delegate to national solidarity; the Bosnian ambassador to Algeria, Mr. Nekrez Arieodzic; members of the Bosnian community in Algiers, and members of the bureau of the National Mujahidin Organization were awaiting and welcoming the visitors.

The wounded youths had boarded a special Air Algeria Boeing around midday at the Split airport. Most are aged 19 to 30, and most come from central Bosnia-Herzegovina (Mostar, Bosanski Brod, Bosanski Novi, and Sarajevo).

They could not get adequate care in Cortula, Croatia, because of the shortage of equipment and drugs, we were told by Mrs. Malti Saada, vice president of the Algerian-Bosnian Friendship and Solidarity Association. "This welcome made a magnificent impression on us," she added. According to the minister delegate to solidarity, Mrs. Benhabyles, this initiative is in line with Algerian tradition; Algerians have always shown solidarity with, and brotherliness toward oppressed people, and sided with those who suffer. In this case, Algerians cannot remain idle nor look the other way when Bosnian Muslims are being slaughtered. "I recognize myself in this gesture; Algeria and the Algerians recognize themselves in it," Mrs. Benhabyles confided.

For his part, the health minister, Mr. Babes, assured Bosnian representatives of the Algerian Government's full support in taking charge of the seriously war wounded. The latter were taken to the Douera and Mustapha-Bacha hospitals. About 20 ambulances were waiting for them at the airport.

At the Algerian Medical Union [UMA], people hope that this operation—which was a success because it helped save 60 lives—will be just the first one in a large-scale effort.

For the moment, the main concern is to guarantee optimum care conditions for those who have suffered major wounds in the war (traumas, amputations, paralysis).

"We expect to welcome other, larger groups," an UMA official confided. There is some talk of setting up facilities to house Bosnian families, and also for children to be taken in Algerian families.

Certainly, for the Algerian-Bosnian Association and the Algerian Committee of Solidarity with the People of Bosnia-Herzegovina, much remains to be done to alleviate the suffering of Bosnian victims and help them.

Regional Affairs

Relations With Saudi Arabia 'Warming up'

93AF0453C Algiers LIBERTE in French 18 Jan 93 p 2

[Article by Merzak Tigrine: "New Start on a Large Scale"]

[Text] Major General Khaled Nezzar's official visit to Saudi Arabia apparently succeeded in warming up bilateral relations between the two countries in record time.

The coolness that has characterized Algerian-Saudi relations because of the Islamic fundamentalist problem and the Gulf war seems to have disappeared completely following Maj. Gen. Khaled Nezzar's visit to Riyadh. The official invitation issued to him by the second-most important man in the Saudi monarchy, Sultan Bin-'Abd-al-'Aziz, was honored as quickly as possible. The visit by Algeria's minister of defense and member of the HCE [Higher State Council] could not have been more

beneficial. The warm welcome reserved for him testifies to the eagerness of Saudi authorities not only to resume relations with Algeria, but also to have privileged relations with our country.

Did Maj. Gen. Khaled Nezzar achieve the feat of loosening Saudi purse strings?

Immediately following the three-day official visit, government authorities in Riyadh announced the resumption of financing for several infrastructure projects in Algeria.

The Saudi Development Fund is prepared, together with the Kuwaiti Development Fund, to finance several projects for the construction of dams and housing.

The Saudi Development Fund (SDF) was established in September 1974.

It is headed by the Saudi minister of finance and national economy.

That fund has already financed several development projects in Algeria, among them the rebuilding of the city of Chlef after the latter's decimation in the 1980 earthquake and part of the port of Djen Djen (Jijel).

The vice president of the SDF, Sheikh Muhammad Ben Abdellah Es-Sokeir, was expected in Algiers yesterday to kick off the financing operation for new projects.

The vice president of the Saudi Development Fund will spend three days in Algiers and will be accompanied by a large delegation. He will meet with several high-level Algerian officials. During his stay, Sheikh Ben Abdellah Es-Sokeir will make a working visit to the Mila Governorate. He will visit the site of the Ben-Haroun Dam, which the SDF is going to finance. The dam will have a capacity of 795 million cubic meters and a stored volume of 588 million cubic meters. The Saudi Development Fund will also finance several housing construction projects.

The discord and dissension that have been the chief characteristics of Algerian-Saudi relations for the past two years seem to have disappeared completely.

Maj. Gen. Khaled Nezzar's visit to the Saudi kingdom helped considerably to restart cooperation between the two countries following a hiatus of two years.

Arms Trafficking; Libyan Role, Arms Seized

93AF0457D Algiers EL WATAN in French
25 Feb 93 pp 1,3

[Article by Amel Boumediene: "849 Weapons Seized in Anti-Terrorism Effort"—first paragraph is EL WATAN introduction; figures as published]

[Text] Over the past three years, Algeria has seen an upsurge in arms trafficking. Full-fledged networks began to develop and trafficking channels expanded. According to the National Gendarmerie, 849 weapons have been

seized to date. Where do they come from and how are they brought into our country?

Sometime in the 1980's, arms sales began to develop. Seasoned merchants would buy small quantities of automatic handguns—primarily from neighboring North African countries and occasionally from Europe—and resell them at high prices to all comers. Initially the weapons were destined solely for commerce.

But the political context in Algeria was changing and in 1989 the arms trade came under the control of the principal buyer of this merchandise, the now-banned FIS [Islamic Salvation Front], which had just been legalized at that time. One year later, in 1990, there were increasingly persistent rumors of automatic handguns on the border between Algeria and Libya. The regions of Deb-Deb, Oued Souf, and M'sila were placed under surveillance, enabling the National Gendarmerie eventually to uncover the famous case of the D-15s.

This document authorizing transit by merchants from one border post to another proved to be improperly verified, allowing arms and other goods to be brought into Algeria illegally.

The Gendarmerie's dragnet resulted in the seizure of a large quantity of merchandise in Deb-Deb and M'sila.

It emerged that Libya was one of the countries that played an important role in supplying arms to Algerian traffickers.

Numerous individuals were arrested. Their confessions revealed the ease with which arms were made available to them in Libya. But searches by the security services did not stop there. Shifting their attention to Tiaret and Batna, they uncovered another major arms network.

Automatic handguns totaling 4,116 were seized. In 1991, additional arms seizures were made throughout Algeria.

Investigations also led to the arrest of some 20 manufacturers of bombs and crude firearms.

These individuals had acquired techniques that enabled them to produce crude weapons more or less having the capability of an automatic handgun.

Their production of bombs was more limited because their bombs had succeeded in inflicting considerable damage in various terrorist attacks.

Setif is another area in Algeria where the arms trade has been active. In 1992, the first network in the region to be dismantled led to the arrest of a number of former FIS members who owned 49 automatic handguns, 56 hunting guns, and some 20 crudely manufactured shoulder-fired guns.

In addition, it was during that same period that the National Gendarmerie uncovered a cache of 544 weapons in Setif. The total number of weapons seized in Algeria to date is 849, some of which were stolen during

attacks on the security forces. The remainder are crudely manufactured weapons or weapons brought with the proceeds from hold-ups. "We know that there are other weapons channels in Algeria and we are currently involved in investigations that will enable us to dismantle them," it was stated at the headquarters of the National Gendarmerie where it was also announced that, "Any individual who illegally possesses a weapon should hand it over to the authorities. They will then be granted leniency. If they refuse to do so, we will have no choice but to apply the anti-terrorist law."

Number of Weapons Seized in Algeria

City	Total
Setif	544
Bordj Bou-Arredj	44
Batna	166
Bejaia	30
Oum-El-Bouaghi	18
Annaba	1
Skikda	2
Tizi-Ouzou	18
M'sila	46
Tiaret	17
Relizane	2
Sidi Bel-Abbes	2

[Box, p 3]

Attempted Robbery of Gun Dealership Ends in Arrests

A group of three individuals attempted yesterday to steal cartridges and gunpowder from a gun dealership located in Bab-Azoun Street. As the terrorists entered the store, the security forces, acting on a tip, sealed off the neighborhood and then arrested the three. [end box]

Figures on Illegal Immigrants in South

93AF0457A Algiers EL WATAN in French
23 Feb 93 p 32

[Text] In 1992, the urban security forces escorted 1,799 illegal immigrants from various African countries to border posts in southern Algeria (In-Guezzam and Tin-Zaouatine), according to the immigration service in Tamanrasset.

Most of the illegal immigrants returned to the border were Malians (575) or 32 percent of the total. Nationals from Niger represented the second-largest group with 458 or 25.5 percent of the total. They were followed by Nigerians (290), Ghanaians (194), Senegalese and Beninese (134), and other nationalities.

According to a police officer, the individuals who were returned to the border had not violated any laws except that they were discovered on Algerian soil without proper documentation.

The police officer remarked that, "returning illegal immigrants to the border is a routine activity in our departments." "However," he added, "our departments find it difficult to assume the costs of this activity, as there is no budget for such operations."

Internal Affairs

Abdesselam's Ability To Govern Questioned

93AF0471B Algiers EL WATAN in French 6 Mar 93 p 1

[Article by Khaled Mahrez: "Can Abdesselam Still Govern?"]

[Text] "Belaid Abdesselam must leave for the good of the country." Said Sadi has said aloud what many people in political circles and civil society alike are saying to themselves.

Actually, after eight months at the head of the government, Belaid Abdesselam has accomplished the feat of pinning everyone, including—and above all—his potential allies.

Curiously enough, the crusade of the head of the government against his "adversaries" has mainly affected the forces that opposed the continuation of the electoral process of December 1992 and that comprised the main support for Mohamed Boudiaf's HCE [Higher State Council]. Rarely has anyone seen a politician attack so consistently and with so much violence the very elements that decided to throw their support to him, despite the fears inspired in them by his authoritarian, controlling ways.

He began by trying to rein in the independent press, which was accused of working against the country's interests, so that in the end he could violently attack the democratic parties, which he labeled as "secular assimilationists," and the UGTA [General Union of Algerian Workers], whose bid for higher wages he said he would not accept. His vindictiveness roused first the concern, then the anger of the managers of the public economic sector, who no longer conceal their hostility for the authoritarian methods of the head of the government and his "absolute certainties." That concern extends to the National Advisory Council, which Boudiaf viewed as the crucible of intelligence and creativity and whose members are beginning to tire of Abdesselam's flippant attitude toward their work.

Given such a performance in so little time, one question keeps coming back: Does Belaid still have the means to govern? Moreover, if he turns out to need it, on what base will he rely to do so?

After his violent attack on the "secular assimilationists" relayed by his minister of religious affairs, he has no one left but the "moderate" Islamists and the FLN [National Liberation Front] base that he has never ceased coveting.

It is all well and good for Ait-Chaalal to deny "any political change in the government." The facts are there for all to see.

If the head of the government is so inclined to weaken the democratic opposition and civil society, another party is bound to profit therefrom. EL MOUDJAHID, the organ of the government, has put out yet another anonymous pamphlet to which it alone holds the key against the political parties. Curiously enough, it comes on the eve of the opening of a dialogue by the HCE.

Government Said Siding With Fundamentalists

93AF0451B Paris LE MONDE in French 6 Mar 93 p 6

[Article: "Rally for Culture and Democracy Suspects Government of 'Compromise' With Fundamentalists"]

[Text] Although it has been sharply criticizing government action for some time now, the Rally for Culture and Democracy (RCD)—a group situated more or less in the center-left and headed by Said Sadi—has just taken a symbolic new step in its skirmishes with Prime Minister Belaid Abdesslam. Following several meetings, its elected local officials have decided to resign the seats they have occupied since 12 June 1990 in Kabylie's 87 municipal governments and the Tizi-Ouzou Departmental Assembly.

Why this sudden revolt by a party that has never been sparing in its support of the government since the interruption of the election process and the establishment of the High State Committee (HCE) in early 1992? Sadi accuses the collegial presidency of "repudiating the step taken by Mohamed Boudiaf" (the assassinated president) and says that what the prime minister wants in fact is an Islamic state. The RCD's secretary general, who is firmly opposed to any dialogue with the fundamentalist movement, felt himself to be the target of a violent diatribe by Abdesslam against "secular assimilationists"—an expression supposedly referring to supporters of the "radical break with fundamentalism" that the RCD is insistently demanding.

Like other political groups and the General Union of Algerian Workers (UGTA), the RCD suspects Abdesslam of wanting to move closer to the fundamentalists to the detriment of the democrats. To thwart that "compromise," Sadi is reportedly thinking of encouraging the emergence of a new political pole—the "republicans"—to oppose both the fundamentalists and the government. The RCD's secretary general says: "We are telling the authorities that their only choice is to vacate the premises quickly—and we are exerting pressure to that end—or suffer the consequences of their disastrous management. I am convinced that Abdesslam will cost the country, which called him back, a great deal." The RCD's entry into the

radical opposition therefore appears irreversible, and its participation in the national dialogue being advocated by the HCE seems very uncertain.

The HCE has nevertheless announced that 13 March will mark the start of that dialogue, direct participation in which by the defense forces is regarded by Ait Ahmed's Socialist Forces Front (FFS) as a "political necessity." The possible defection by Sadi's party may not be enough to prevent it, but it will certainly alter the conditions.

ANP Unity, Role of HCE Discussed

93AF0471A Algiers HEBDO LIBERE in French
2-10 Feb 93 pp 12-14

[Article by Abderrahmane Mahmoudi: "The ANP: The Government and the Future (V): Fatal Enticements"; first eight paragraphs are boxed inserts]

[Text] The ALN [National Liberation Army] has not been content merely to pass the torch to the ANP [People's National Army]; rather, it has remained the guardian of the values of November through the ONM (National Veterans' Organization). It is an organization which, despite its long subjection to the sterilizing tutelage of the single party, in 1991 regained its aura and prestige thanks to the return of former governorate [wilaya] colonels to ONM command posts free of any partisan affiliation.

For fundamentalists, an attack on the ANP is doubly symbolic: to bring about its collapse domestically in order to facilitate its collapse abroad; and to pave the way for penetration by fundamentalist legions based in Khartoum and Tehran.

The main purpose of anyone killing an ANP soldier is to destroy that soldier's oath to defend Algeria. Anyone who kills a soldier is trying to kill Algeria. What better response could there be than the one given by the ANP leadership and embodied in the statement issued by Major General Khaled Nezzar: "We shall eliminate them."

The worst blow to the ANP, delivered by ideology, was the attack of October 1988, when the plot hatched by Chadli and his advisers pitted the Army against civilians after the intermediary security forces, i.e., the police, had been withdrawn from the streets.

Unable to break the Army by high-principled means after Boudiaf's assassination, certain politicians have taken it into their heads to set up regional axes pitting the East against the West or the Center East against the Center West in a kind of criminal onslaught masquerading as political-politicking speeches and dubious friendships through which the members of rival bands are co-opted based on their birth certificates.

Mohamed Boudiaf was not the Army's initial choice, but that of a group that drafted political plans for Bendjedid's departure and his replacement by a potential time

bomb. The choice of Mohamed Boudiaf was suggested by the Belkaid-Ali Haroun group which, for weeks and weeks and long before Chadli's departure, shifted the Army's sights to Boudiaf.

Curiously enough, the enemies of the republic continue to demand the same objectives:

- resumption of the electoral process;
 - respect for the people's choice;
 - and the departure of the HCE [Higher State Council].
- All three would mean [text illegible] political leadership [text illegible] always threatened and placed in a position of throwing in the towel.

What the opposition is mainly trying to do is make the people forget that the HCE was a historic response to the desertion of Chadli Bendjedid after he led the country to the brink of total disaster. He was aided in this task by a Ghazali seeking "clean, honest" elections, a Larbi Belkheir, the cantor-poet of elections lost before they were even held, and a Belkaid, then minister of information and chief artisan of the election law.

The Army is being undermined, slowly and underhandedly. Subjected to the deafening blows of a terrorism as bloody as it is cowardly, ANP officers are the target of the same relentless strategy of demoralization and division that have been directed at them ever since the ALN—and later the ANP—became the backbone of Republican Algeria.

Never beaten, the Algerian Army owes its success to unity, the lucidity of its leaders, and the high degree of awareness and responsibility characteristic of officers whose promotion has nothing whatsoever to do with toadying! Encouraged by Algeria to defend Algeria, the Army has the strongest and "straightest" elements in terms of energy and intelligence serving the republic.

Thus perceived by friend and foe alike, it has for more than 30 years been the prime target of all those who realize that, in order to beat Algeria, one must first beat its Army!

What Unites the Army?

The mortar that has made the ANP an indestructible force against which every possible attempt at destabilization has spent itself is unquestionably its historical affiliation with the ALN. The "offspring" of an institution of the revolution, the ANP was not a legacy of colonization. Furthermore, it put an end to it! The ALN has not been content merely to pass the torch to the ANP; it has remained the guardian of the "values of November" through the ONM (National Veterans Organization). It is an organization which, despite its long subjection to the sterilizing tutelage of the single party, has since 1991 regained its aura and prestige thanks to the return of former wilaya colonels to ONM command posts, free of any partisan affiliation.

Paradoxically enough, while the ONM, under the aegis of the FLN [National Liberation Front], has never known the slightest political upheaval or any hint of internal rebellion, and while Chadli's shameful reign did not draw it out of its undisturbed quietude, it was not until its leadership was taken over by the real leaders of the war of independence that dissidence came to light and prestigious veterans were encouraged to try to divide the ONM on pretexts leaving no shred of doubt about the deliberate intentions of their "advisers" to do damage.

As the prime source of the ANP's historic legitimacy, the ONM has become the target of a plot whose sole purpose is to split the Veterans' Organization as a means—relying on a ricochet effect—of dividing the ANP officers who belong to it.

The ANP's second unifying element is the very basis of the commitment of the soldiers and officers who choose to join it: to defend the Republic of Algeria by all possible means. To a greater degree than all other Algerians, who have never asserted their "Algerian-ness" other than by the accident of their birth, soldiers must, upon joining the ranks of the ANP, swear an oath to defend the republic even at the cost of their lives. Unlike citizens who are Algerian by birth, soldiers are Algerian by birth and by choice. This basic element, which many tend to forget, confers upon the ANP an "element of deliberate Algerian-ness" that clearly appears to transcend the dangerous attempts at partisan division aimed at it.

The third unifying element of the ANP is the fact that it constitutes a front line against all manner of aggression threatening Algeria. This is obvious on the foreign, but particularly the domestic, level inasmuch as the main target of terrorists belonging to the former FIS [Islamic Front of Salvation] was the Guemmar barracks and because the prime victims were young soldiers whose basic mission was to defend Algeria's territorial integrity. After all, for fundamentalists, an attack on the ANP is doubly symbolic: bringing about its collapse on the domestic level in order to facilitate its collapse on the foreign level and thus pave the way for penetration by the fundamentalist legions based in Khartoum and Tehran.

At the time, Major General Khaled Nezzar's response was right on target because Army chiefs had indeed grasped the full political significance of the horrendous Guemmar crime. His response was decisive and the terrorists quickly understood that the game would never be won so long as the ANP was led by men capable of placing an isolated event into a broader and more complex framework. Indeed, the current leadership of the Army owes its essential prestige to and derives its secondary legitimacy from the way it has, from the very outset, confronted and isolated terrorism while maintaining unity within the ranks. Totally comprised of former ALN officers, the current ANP leadership, including the services and security corps, reacted in the purest November spirit, moving straight toward its goal: the protection of Algeria, without looking left or right, much less toward the heavens!

Anyone who kills an ANP soldier is mainly trying to silence the oath, which that soldier has taken to defend Algeria. Anyone who kills a soldier is trying to kill Algeria. And what better response could be given by the ANP leadership than this phrase uttered by Maj. Gen. Khaled Nezzar: "We shall eliminate them," which in fact happened 10 days later. In a country where no promise was kept for 13 years, the Army reconciled word and deed in the most sensitive area of all: national security.

What Could Have Divided the Army?

The first attempt to split the Army probably came when it was put to the test of ideology even though, ever since it emerged in the form of the ALN, the Algerian Army has never had to face tests linked with divergencies of an ideological nature, this because of the formidable filter of efficiency that the FLN turned out to be. A wide-ranging political apparatus by virtue of its front-line nature, the FLN "passed on" to the ALN only those troops and officers whose sole ideology was the independence of Algeria and the war to be waged against the French army of occupation. After 1962, the ANP had as its true ideology only the construction of the country, even if official rhetoric chose to call it "socialism."

As long as this term actually meant the construction of cities, roads, hospitals, and other elements associated with modern life, the Army complied and never presented a problem. What is more, it was the kingpin. The worst blow to the ANP through ideology was the October 1988 attack, when the plot orchestrated by Chadli and his advisers pitted the Army against civilians after the intermediary security corps, i.e., the police, had been withdrawn from the streets. Realizing, after a few days of "rioting," that mere contact had not produced the desired effects, the staff that hatched the plot against the Army, then based in the Office of the President and the Ministry of Interior, did everything possible, through Ali Benhadj, to give an Islamist tinge to a street movement that was half spontaneous, half orchestrated. The Army thus found itself facing an "Islamist knife" that in principle was supposed to cut it in two. This is but one side of the story.

The other side is that a small extremist sector of the military security services had been persuaded that torture was the only way to eradicate a movement disproportionately blown up by the foreign media and that the most barbaric methods would act as a red light for all rioters.

In the general panic of the moment and given the state of terminal intellectual impairment to which the services had been reduced on the eve of October 1988, the horrifying phenomenon came to pass and a few torturers—half manipulated and half accomplice—came close, by virtue of their limited action, to discrediting once and for all the very idea of the existence of military security services.

The second attempt to split the Army, disguised as a withdrawal of the ANP from the FLN Central Committee, was to transfer eminently politicized high-ranking officers to apparent political vacuity so as to push a few of them—openly or not—to join parties such

as the MDA [Movement for Democracy in Africa], FFS [Front of Socialist Forces], or former FIS. While the catastrophe was nevertheless avoided at the highest levels of the military hierarchy, which was fully informed about these party machines and their effective dealings on the national and international levels, this was not true of a few noncommissioned or lower ranking officers who, in the absence of an effective political commissionership (liquidated under Chadli), let themselves be taken in by the media and other multiparty clacks in Benjedid's pay. It is in fact remarkable that not one soldier or high-ranking officer was duped, the former because they generally do not read the newspapers and the latter because they know what the newspapers really are.

And yet, the most dangerous (because the most flagrant) attempt at division was neither ideological nor political nor even subjective, involving personal conflicts. Rather, this maneuver, in which known political figures play the sorcerer's apprentice, is based on regionalism. Unable to break the Army by high-principled means, following Boudiaf's assassination, certain politicians took it into their heads to set up regional axes that would pit the East against the West or the Center East against the Center West in a criminal onslaught disguised as political-politicking [as published] speeches and dubious friendships through which the members of rival bands are coopted based on their birth certificates.

When it is a matter of the ANP or, even worse, the ALN, the reference to regionalism is by itself an insult and an irreparable outrage to the memory of a Didouche Mourad, who was born in Algeria and died in Constantine, a Larbi Ben M'Hidi, born in Algeria and died in Algiers, a Mohamed Boudiaf, born in Algeria and died in Annaba, a Krim Belkacem, born in Algeria and died in Frankfurt, or a Hassiba Ben Bouali, born in Algeria and dead at the age of 18. In this day and age, to awaken the demons of a regionalism of which Algerian young people are totally unaware is to commit an even greater crime than that of placing Islam in the hands of gangsters and murderers.

Men apparently above all suspicion, some of them at the head of sectors of the country that are veritable nerve centers and others of the country itself, engage in sordid intrigues not even on the tribal level. Unable to confront the men who head the ANP, they try to isolate them and make them vulnerable by attacking their flanks, trying to single out a few general officers in spite of their reserve obligation and trap others on the basis of an elusive particular ethnic affiliation.

All is fair in this game, even bringing up an alleged political underrepresentation of an entire region of the country in the ANP, as if anyone had ever prevented an Algerian from making the Army his career and thus force him to become a diplomat! When the country achieved independence, men courageous enough to stay in the Army or join up were called *El Gouraa* (the shorn ones) by the very men who now scream underrepresentation. A little decency would not hurt the "priests of politics"!

The Boudiaf Episode

In the relentless war on the ANP, the Boudiaf episode is certainly the one that marks the entire military hierarchy the most painfully and with good reason. The Army finally found a political leader for the country worthy of the name and he was killed when it bore responsibility for protecting him. It was a hard blow, but two things must be remembered: Mohamed Boudiaf was not the Army's initial choice, but that of a group that paved the way politically for Bendjedid's departure and his replacement by a potential time bomb. The choice of Mohamed Boudiaf was suggested by the Belkaid-Ali Haroun group which, for weeks before Chadli's departure, had steered the Army toward Boudiaf. It was Ali Haroun who would go to Kenitra for the purpose of persuading Boudiaf to return to take over the leadership of the country. And it was Ali Haroun who would fail in his attempts. The Belkaid-Ali Haroun group would then try to convince the ANP to receive Boudiaf in Algeria in order to present the situation to him.

It was Maj. Gen. Khaled Nezzar who, as minister of defense, turned out to be more credible than Ali Haroun because it was at the conclusion of his lightning visit to Algiers that Boudiaf would give his consent.

From then on, one can understand:

- 1) that the ANP was never the source of the choice of Boudiaf;
- 2) why, even though the ANP never gave him the slightest guarantee of success or survival, it nevertheless carried enough weight to make Boudiaf decide to return home;
- 3) why the so-called PRS [Party of the Socialist Revolution] took over totally and "hatched" Boudiaf from the moment he was chosen until his assassination;
- 4) why Boudiaf was totally surrounded and isolated by former members of the PRS whose sole concern was to cut him off from the Army and who went so far as to refuse to allow it to handle matters relating to his security, secretariat, and staff (one member of Boudiaf's immediate entourage was heard to repeat daily that "nothing must be left up to Nezzar," probably meaning that nothing must be left to chance); and finally,
- 5) how the interference resulting from the PRS' handling of Boudiaf allowed the mingling of powers deliberately maintained between the Ministries of Interior and Defense and the services of the Office of President enabled Boumaarafi, wearing the uniform of the ANP but maneuvered into the area where President Boudiaf was kept, to be in a position to assassinate him.

The assassination, like the October torture, would enable "parties," "journalists," and "persons close" to Boudiaf one after the other to twist the knife in the wound and

blame Army officials sufficiently to make them agree that their future departure would stop the pain.

Nevertheless, things are not that simple and, curiously enough, respect for formalities, which the enemies of the republic constantly demand, pursues the same objectives: resumption of the electoral process; respect for the people's choice; and the departure of the HCE.

All three cases guarantee catastrophe for the country because it is its historic political leadership that is always threatened and put in a position to throw in the towel.

Secret Lodge of the Decisionmakers

By trying to make people believe that the HCE is an outgrowth of Algerian political life and that it is therefore merely a matter of shaping, incising, or eliminating it outright in order to ensure the smooth operation of business, the opposition is mainly trying to make people forget that the HCE was a historical response to Chadli Bendjedid's desertion after he had led the country to the brink of disaster. He had been aided in the task by a Ghazali who wanted "clean and honest" elections, a Larbi Belkheir, the cantor-poet of elections lost before they were even held, and a Belkaid who was then minister of information and the chief drafter of the election law.

By demanding the departure of the HCE after begging for its expansion, the opposition is actually asking for nothing but the withdrawal of the ANP from the conduct of the nation's affairs and its conversion into a referee in a partisan arena in which democracy now rhymes with irresponsibility and borders on anarchy.

In order to put a few high-ranking officers at ease and flatter their egos while dreaming of seeing them reduced to the status of puppets, those who brought back Boudiaf and facilitated his assassination by their criminal ambitions now use the term "decisionmakers" to describe the government. The term, outwardly so harmless, is no more than a label for occult power comparable in every way to a secret, underground lodge. By allowing the term of "decisionmakers" to circulate publicly, the HCE and ANP leave doubt about the reality and very purity of the government, for public opinion has the right to know who is truly in charge: the HCE or a secret lodge?

"Every flatterer lives off the man who heeds him." More than any other institution in the country, the Army should have no commerce with flatterers who, by endowing it with the most extraordinary powers, are working toward a single goal: excluding it from the real power it assumes along with others on the HCE. After all, in saying "decisionmakers," those who have never made any secret of their hostility toward the ANP (and the "services") are actually thinking "mafia," and the sweetness of their tone should alert one more than winter's surliness. It is a sweetness designed to induce amnesia in an institution that was forced to intervene harshly three times only because it let itself be hoodwinked by the idea of a "strong presidential" regime that allowed a dangerous individual

to lead the country to chaos by virtue of a "strong president" and a Council of the Republic, or rather, a rump APN.

The best service one could render the Army would be to let it judge for itself what is good for itself and for Algeria: too much or too little power.

Background on MIA Leader Following Arrest

93AF0471C Algiers ALGERIE ACTUALITE in French
2-8 Mar 93 p 3

[Article by Dj.B.]

[Text] *One of the influential members of the "constellation" of Islamist terrorism has fallen. Insights.*

The news fell like an ax: Ikhlef Cherati, former influential member of the dissolved FIS [Islamic Front of Salvation] and the head of terrorism in Algiers, has been arrested. This man, who is little known to the public, rarely in the news, and most discreet, is nevertheless the head of MIA [Armed Islamic Movement] propaganda. His name is not frequently in the news, but when it is, things get hazy very quickly. A tiny detail appeared in ENNAHAR in late 1991 following the arrest of FIS leaders. A "crisis team" was set up at a time when all sides were calling for a jihad. The team was headed by a member of the FIS whose initials are Y.C.

In a communique that he signed and transmitted to the APS in February 1992, Cherati condemned the Batna disturbances, the Guemmar attack, and the call for the holy war.

Was it a bluff or a battle for leadership? The man calling for calm following the bloody attacks in Algiers is, after all, the father of MIA propaganda, an uncommon agitator, the "Goebbels of the FIS," as the experts call him. On 7 July 1991, following the June strike, a search warrant was issued for him. He had been delivering scathing diatribes calling for revolt and castigating the Army and the government. He and Abderrezak Redjam, head of the press and Abassi's chief of staff, also at large, made an effective team. Cherati, believed to be somewhere in the "underground," was arrested at El-Harrach by Army intelligence services, in his own stronghold that he seemed never to have left and from which he had been coordinating terrorist "strike groups" and heading their recruiting efforts. The underground cells had no contact with him, in accordance with an effective system of compartmentalization. He was content to issue instructions while drafting tracts. The groups were free to act on their own. Propaganda was also put out, along with Redjam, by ENNAFIR, MINBAR EL DJOUMOUAA, and SAOUT EL WAFI, which continued their activities even after many neutralizations.

On Saturday, the day after his arrest, WAFI, the underground radio station, announced Cherati's arrest following a communique from Redjam. It was one way to beat the security services if the imam from "The Mountain" should talk. Actually, Cherati was collecting information and reportedly had contact with many leaders of the "urban guerrillas," a violent movement of which he is said to be one of the main instigators.

Cherati, an imam and member of the Majlis Echoura [advisory council], head of EL DAAWA OUA EL IRSHAD, and a member of the FIS provisional Executive Bureau, controlled the mosques in the capital. After going underground, he came into conflict with other groups and former Bouyalists: Chebouti, Baa Azzedine, and Malkhloufi, another activist sought. He apparently wanted to head the armed movement by himself, as the heir to Abassi Madani and Benhadj, with an underground Executive Bureau. Other MIA leaders did without him, playing deaf to his appeals, like Chebouti, legitimized by his membership in the Bouyali group.

Cherati was smart enough to remain in the background for several months, using modern, effective activist tactics. At 43, he has become the grey eminence of urban terrorism. He has the deaths of dozens of young people, policemen, and Islamists on his conscience. His arrest is a rude blow to the MIA, which will certainly react violently, and a major coup for antiterrorist forces.

'Terrorists' Reportedly Battling for Leadership

93AF0451E Algiers EL WATAN in French
20 Feb 93 pp 1, 3

[Article by Tayeb Belghiche: "War of the Chiefs"]

[Text] *As is happening in Afghanistan, a fierce war of the chiefs is currently under way within the Algerian terrorist movement, the difference being that the Algerian movement is not even in power.*

Central Algeria has recently experienced a definite upsurge in terrorist activity. Even a school bus did not escape the criminals' hatred. This outburst of violence has been seen as a response by Islamic fundamentalists to the execution of four terrorists involved in the slaughter in Guemmar.

Actually, the increase in the number of crimes is due to factors of an entirely different kind. The confessions of an official in one terrorist group who recently surrendered to the authorities have made it possible to lift a corner of the veil. According to him, the terrorist chiefs are engaged in a fight to the death for leadership.

The best known of those chiefs at present is Abdelkader Chabouti, who in complete seriousness has proclaimed himself a general. He is considered the leader of the armed groups.

But two other men are challenging his power and trying to supplant him and even eliminate him if the opportunity presents itself.

The first is Elwad Mohamed, better known as "Dr. Ahmed El Pakistani" following a training period in Pakistan in the early 1980s.

Upon returning to Algeria, he joined Bouyali and later became "emir" of Djelfa, his hometown.

He settled in the region and established an "underground" made up primarily of the offspring of "General" Bellounis' men. Bellounis was the French secret service agent who had fought the mujahedin during the War of Liberation.

He then became the deputy of Mansouri Meliani, who himself tried to remove Chabouti before being arrested by the police. As one of Bouyali's veterans, "Dr. Ahmed" is claiming leadership of the terrorist organizations.

The other pretender is Said Makhoulfi, author of a pamphlet on "civil disobedience" and former captain in the ANP [People's National Army], which discharged him for "mental disorders" and "abnormal behavior."

In that capacity, incidentally, he was in charge of setting up Islamic fundamentalist networks within the Armed Forces. He is now using that circumstance and his alleged influence with the military to demand that he be given leadership of the armed branch of the former FIS [Islamic Salvation Front].

For the time being, Chabouti and Makhoulfi have decided to form an alliance against the "doctor." In retaliation, the latter kidnapped several of Chabouti's supporters at Point Pescade in Algiers about three weeks ago and had them killed.

This fight to the death promises to be even more terrible now that Ali Benhadj, from his prison cell in Blida and with the help of one of his lawyers, a man named Taouti, has sent abroad a letter in which he gives his support to Chabouti. On the strength of that unexpected support, Chabouti has decided to intensify his criminal operations in central Algeria for the purpose of establishing himself as the unchallenged leader of the terrorist organizations. That explains the slaughter that has taken place recently.

To strengthen his position, the "general" has formed international ties, particularly with the Moroccan fundamentalists under Abdesselam Yacine, who heads the organization known as Justice and Charity, which reportedly has provided him with aid in an amount difficult to estimate.

Abdesselam Yacine reportedly has ties to the Moroccan Ministry of Interior. According to his own statement in an interview with Reuters, he had been encouraged by that ministry to infiltrate Moroccan universities in the early 1980's to limit the Left's influence.

Besides the war between Chabouti and his opponents, there is also a conflict between Rabah Kebir, who was responsible for foreign relations in the former FIS (and is now a refugee in Germany), and Tedjini, who claims to be a representative of the former FIS in Europe. Kebir supports the blind assassinations of terrorists as ordered by Chabouti, while Tedjini feels that Chabouti is going too far and that he should show restraint.

Government Offers Second Amnesty*93AF0453B Algiers EL WATAN in French 13 Feb 93 p 3*

[Article by Omar Berbiche: "New Chance for Repentant"]

[Text] The head of the government devoted a large portion of his speech to the issue of security. One important decision: a new chance will be given to citizens involved in cases "of attacks on the security of the state but who have not committed criminal acts." Those who repent will benefit from the state's generosity: they will not be prosecuted, said the head of the government.

To avoid being misunderstood as had been the case last December, when the government's gesture was the object of tendentious interpretations, according to Abdesselam, the government has decided to occupy the entire field of communication by specifying that this new initiative should not be seen as an act of weakness or as indicating the failure of its security policy. Abdesselam said that this new pacification gesture on the part of the government would also be extended to citizens who have committed crimes but who come forward and announced their decision to abandon their terrorist activities and facilitate the work of the authorities. The difference is that if the latter are proven to have been involved in assassinations, they will receive not a complete pardon but a reduced sentence. In that connection, the head of the government mentioned understanding on the part of the state. "It is necessary to rebuild the nation; it is necessary to heal our wounds," the head of the government exclaimed. Concerning the security situation in the country, he said that "the doubts that were weighing on the state with respect to its ability to combat terrorism have now been dissipated after six months of work," but he avoided falling into smug triumphalism, saying that it should not be concluded that "everything is over." "More terrorist actions cannot be ruled out," Abdesselam warned, saying that the "terrorists are only bandits trying to put a political coloring on a criminal act." Abdesselam said that while the situation being experienced in the country is serious, it is not what some people are making it out to be. "The state is standing," he said. On that subject, he quoted a few figures to show that Algeria, which is facing a very serious economic situation, is not experiencing the same convulsions as certain countries that have paid a much higher price merely as a result of rioting. In Algeria, there have been 600 victims of terrorism, including the security forces and civilians. And there are currently some 3,500 prisoners, whereas one week of social tension in the United States during the events in Los Angeles resulted in some 9,000 prisoners, Abdesselam emphasized. Algeria, he was careful to point out, is a country "confronting problems; it is not a place where gangs are confronting each other." Abdesselam took the opportunity provided by the meeting to pay tribute to all branches of the security services for the sacrifices they make every day in the service of the nation. "The Armed Forces," he said, "have accepted their responsibilities." Discussing the

recent decision to reintroduce the state of emergency, Abdesselam described the measure as "essential," saying that it was "a means of enabling the state to continue its work." He added: "That measure is not inconsistent with respect for individual and collective freedoms and democracy."

The current situation in the country, he added, is not accidental: it is the result of a loss of confidence in the state. Abdesselam stated his conviction that security operations alone are not enough. Success depends on reestablishment of the state's authority, and that, in turn, depends on the restoration of confidence among the citizens. "This is also the role of the state's cadres; it is not just a matter for the government," Abdesselam said, calling on the cadres to make up their minds, abandon their wait-and-see attitude, and become fully involved in implementation of the government program. "It is necessary to choose sides," said Abdesselam.

The restoration of confidence also depends on raising moral standards in public life, because those standards are the foundation underlying the maintenance of public order and social peace. In that connection, Abdesselam reaffirmed the government's determination to continue the fight against corruption "both inside and outside the country." But, he warned, this is a long-term job because it requires painstaking investigations and the help of experts. He tried to be reassuring, however, saying: "There will be no settling of scores."

Arms Trafficking: New Arrests*93AF0457C Algiers EL WATAN in French
22 Feb 93 p 3*

[Text] Units of the National Gendarmerie have arrested 24 individuals and seized 34 automatic handguns, two homemade handguns, and eight hunting rifles, it was announced by Gendarmerie headquarters. In Tiaret (340 km southwest of Algiers), three individuals were arrested and nine automatic handguns were recovered. In Djezzar and in Barika (province of Batna, 435 km southeast of Algiers), six other arrests were made, including two individuals identified as dangerous arms dealers.

In Skikda (510 km east of Algiers), according to the same source, a 32-year-old student at the University of Constantine, B. Hocine, was arrested on charges of "criminal conspiracy and destruction of state property by explosive devices," targeting university buildings. In Djelfa (275 km south of Algiers), three individuals were arrested for "organizing subversive meetings and inciting obstruction of the functioning of public institutions." In the province of Boumerdes (50 km east of Algiers), a 33-year-old employee of the Post, Telegraph, and Telephone office (PTT), whose initials are Z.N., was arrested for "possession of subversive documents." In addition, the individual who robbed a private company in Khemis-El-Khechna (some 30 km southeast of Algiers) has been identified as Baa Azzedine, the APS learned from the

commander of the National Gendarmerie. The company was robbed of 70 million centimes, according to the same source.

Baa Azzedine is a former member of the Bouyali terrorist group, which was active during the 1980's in the region of Mitidja. After being sentenced to life in prison in 1985, he was pardoned in 1989. (APS)

Arrested 'Terrorist' Reports on MIA Activities

93AF0457E Algiers EL WATAN in French
22 Feb 93 pp 1,3

[Article by Amel Boumediene: "Confessions of a Master Terrorist"—first paragraph is EL WATAN introduction]

[Text] How does the Armed Islamic Movement (MIA) operate? Who is charged with obtaining weapons for the movement and, most important of all, what is the exact status of the underground or training camps, which are said to be training dozens of individuals to kill members of the security forces? In the first such account, the leader of an armed band [B. Djaafar], who was seen on television Friday evening, has divulged the secrets of the MIA's methods. In an exclusive interview, the emir tells his story.

Several days earlier, police officers from the Bab-El-Oued station arrested a group of eight terrorists. It was a major stroke because they had apprehended the famous "Casbah group," which had direct ties to the MIA. Its 34-year-old emir, Boudjellal Djaafar, had taken part in the first attack on police officers last year in the Casbah. The original eight members of the group were Boudjellal Djaafar, H.A. Sid Ali, Z. M'Hamed, H. Hussein, R. Othmane, H.A. Yacine, and Oudak Maden, the youngest member of the group (age 20) who was killed as he attempted to kill a police officer. Oudak Maden was behind a number of attacks against the security forces. He wounded one police officer in the Casbah, killed another on Taleb Abderrahmane Square, killed two other police officers at the Eucalyptuses where he also led an attack against another police officer, and took part in his gang's assassination of two gendarmes in the Casbah. The story of the Casbah group's leader, Boudjellal Djaafar, begins in the aftermath of the events of 5 October 1988. "I had just returned after being permanently expelled from France where I had served a prison term of one year and 11 days for a crime I did not commit," he told us. "On my return, members of the MIA took interest in me." The MIA or Armed Islamic Movement had been created three years earlier, in late 1985. B. Djaafar told us that he was contacted by Ali El Afghani, the main organizer of the attack against the Admiralty in which he lost his life, and by Abdelkrim Balta and Abdelaoui who also died in the attack on the Admiralty. "They rushed to my aid when the police came to evict me from the house in the Casbah that I was occupying illegally," he explained, "and ever since then, we have been close friends."

His close friends, to use his words, set out to transform him into a devout person. He admits that he was not a devout individual at that time. After returning from France, he continued to take the drug Artane and to smoke hashish. "I have stopped taking pills but I still smoke hashish," he says. B. Djaafar then began to study the Koran. He would not miss a single sermon at the Fares mosque in the Casbah. And he would listen avidly to cassettes of Bouyali, which Ali El Afghani unfailingly provided him.

"I found myself in a closed circle made up solely of Islamists. Every day, I would learn more about the Koran or the life of the Prophet," he told us. "But at no time did they mention violence to me." For two years, B. Djaafar received an exemplary indoctrination.

But in 1990, Ali El Afghani began to draw him deeper into the MIA's affairs. He asked B. Djaafar to hide weapons in his home—automatic handguns at first, then a bag containing 400 kg of TNT.

"I had no idea how he had obtained the TNT. But a few days later, I read in the newspaper that the same amount of TNT had been stolen in Jijel. As of that day, I saw less and less of Ali El Afghani."

Ali El Afghani was blacklisted by the entire group who worried that he "was not careful enough about hiding his activities." "We feared that we would be noticed by the police," B. Djaafar said. But the emir of the group was caught in a vicious circle. He continued to attend the "halakate" at the Fares mosque in Bab-El-Oued. One day, a former member of the FI [Islamic Front], Lies, gave them a text by Ibn Taimia, a 13th-century scholar of Islam who advocated "jihad" [holy war] against all those who obstruct the creation of an Islamic state. They were drawn into the cycle of violence.

Naturally, B. Djaafar took part in the June 1991 strike. Two months later, he joined Ali El Afghani in the hold-ups in Hussein Dey, where they took 60 million, and Caroubier where about 90 million were stolen.

But abruptly things changed during the night of 7 February 1992. "The jihad we had been hearing so much about was declared that night at 2330. On hearing that, I went as fast as I could to the Fares mosque where the declaration had been issued. The imam was dressed in a jilbab; his face was deliberately covered so that he would not be identified. The authorization to kill members of the security forces had been given."

The Cycle of Violence

A few weeks later, the first attack against the police was carried out in the Casbah. B. Djaafar admitted to us that he took part in it. "But I did not kill anyone," he told us. "My job was merely to keep watch for the police vehicle that would arrive and to give the signal, which consisted of two consecutive flames from my lighter." He swears that he never killed anyone, but confesses to taking part in many other attacks against the police.

He was also tasked with making bombs that he would turn over to a certain "Rachid Blue Eyes." Another MIA leader, H'med El Djelfaoui also entrusted him with TNT and money, which he was to hand over to a certain Abdelkrim Balta. The TNT was to be used in making bombs and the money was intended for men in the underground resistance.

"I wanted to go into the underground," B. Djaafar told us, "but every time, I was told that I was still not ready for it. I wanted to learn how to use weapons to kill communists and all the enemies of Islam."

He also received a large number of collapsible machine guns and grenades from Italy. The person responsible for purchasing these weapons would bring them into the country through the port of Oran with the complicity of certain customs agents.

He told us that there are three underground groups, one in Larbaa led by Chebouti, another in Djurdjura under Mohamed Said, and the third in Zbarbar led by Cherati. Prior to his arrest, B. Djaafar and his group were preparing to execute jewelers, whom he terms "vampires," as well as Ahmed Merani, an FIS [Islamic Salvation Front] renegade, imams, and other religious and civilian figures.

Before leaving, B. Djaafar swore to us that he has repented.

Numbers of Illegal Passports Abroad 'Alarming'

93AF0461B Algiers EL WATAN in French
20 Jan 93 pp 1, 3

[Article by Omar Berbiche: "Black-Market and Fundamental Networks; Alarming Passport Traffic"—first two paragraphs are EL MOUJAHID introduction]

[Text] Algerian passports seem to be highly valued abroad.

A few weeks ago, the French press reported the arrest of two Iranian citizens traveling with Algerian passports. A few days ago, two Iraqi citizens were arrested in Stockholm; they possessed Algerian travel documents.

The passports were stolen from our embassy in Kuwait during the Gulf war. In some European capitals, London for instance, green passports are said to fetch a high price. In other words, passport traffic is now a fact that is hard to ignore. The phenomenon is worrying, all the more so as it branches out beyond our borders.

"The passport renewal rate has reached an alarming threshold," remarked Mr. Amrane, head of administrative affairs at the General Directorate of National Security [DGSN]. Following the adoption of the Constitution of February 1989, affirming the individual's right to free movement, passport delivery, which used to be subject to severe restrictions, became a flexible procedure, almost a mere formality. As a result, district departments—and the DGSN departments who have a voice in

the police enquiry—are submerged with applications for new passports and passport renewals. During last November only, nearly 6,000 renewal applications were processed by these departments nationwide.

This is the price of democracy! But in the wake of this openness, reprehensible practices have appeared, such as passport traffic, which manifests itself underhand, through declarations of loss of traveling documents, a practice which, according to DGSN officials, tends to assume worrying proportions.

Passport traffic is nothing new: since 1982, the green document has been changed no less than three times to foil counterfeit attempts. The first time, in the early eighties, the size of the passport was purely and simply changed, from the larger old size to the present size.

Barely six months later, another change was made: this time, the sheets bearing the passport holder's identification were coated with plastic in order to discourage potential traffickers.

Apparently, the result was not quite what the departments in charge had expected: a few years later another change was introduced. Plastic coating was retained, but a special rivet was added to affix the identity picture.

According to DGSN departments, passport traffic started in 1981-82, when restrictions on foreign travel were eased following the elimination of the exit visa. The traffic of Algerian passports abroad followed an ascending curve during the 1980s; this, according to DGSN officials, was due to the prestige that Algeria enjoyed on the international scene. Border police departments saw the Algerian passport as a sort of moral guarantee for the passport holder. Times have changed.

How can we control this traffic without violating individual liberties, including freedom of movement, which is clearly affirmed in the Constitution of February 1989?

In view of the extent of the phenomenon, in 1987 measures were taken in an attempt to attack the problem at the roots by denying passports to individuals who the DGSN felt could not offer the moral guarantees required because of their specific situation. These included, among others, unemployed young men and women. The objective, the DGSN indicated, was just to preserve Algeria's image abroad. Although the motives invoked to impose these restrictions were sound, the measure itself was termed unpopular and a violation of the law, for was it reasonable to penalize young individuals for an "offence" they did not commit: that of being unemployed? At the DGSN, where people are anxious to comply strictly with the law, they explained that all applications were considered individually to ensure that nobody's rights were violated. These restrictions did not last long.

The adoption of the Constitution of 1989, guaranteeing citizens freedom of movement, except as specifically provided under the law—criminals, for instance, are

prohibited from holding a passport for a period of five years—rendered irrelevant the administrative restrictions imposed to achieve better control over delivery of the green book and to preserve Algeria's image abroad. Getting a passport now became a right. Neither administrative authorities nor the departments in charge of the police enquiry may oppose delivery of a passport for any reason whatsoever, except as provided under the law.

This situation, the DGSN acknowledged, paved the way for certain practices, fueling an almost legal traffic that leaves the authorities powerless. As the DGSN explained, declarations of passport losses, which are often false, constitute a legal way to circumvent the law. A passport loaded with visas that are inconsistent with the passport holder's position, or a passport whose holder was expelled from, or prevented from entering a foreign country, always look suspicious to police departments.

Restrictions?

Hence the recourse to the declaration of loss—the only way to obtain a new passport without having to explain anything. At the DGSN, people do not conceal that the tolerance threshold has been reached. In November alone, 1,571 declarations of losses and deterioration were recorded by police departments, including 239 in the Algiers governorate alone. Our diplomatic representations abroad experience the problem with the same acuity. Still for November, 375 declarations of loss and seven declarations of deterioration were received in the various countries where Algerian citizens live: France, Great Britain, Spain, Egypt, Libya, etc.

People at the DGSN say they are aware that declarations of loss or deterioration that flood their departments allow many false declarations to slip through but, they

add, it is hard to prove. In the past, before restrictions on foreign travel were eliminated, any individual who lost his passport was penalized and denied a new passport for two years.

At any rate, compared with its neighboring states, Algeria certainly holds the record in terms of the number of passports issued: nearly 12,000 passport applications were processed by the DGSN departments between 1 September 1987 and 30 November 1992.

Is it possible to falsify a passport? People at the DGSN say they rely to a large extent on the perspicacity of the police in charge of checking passports at ports, airports, and borders. In addition, some airports are equipped with devices to detect fake or falsified passports.

Declarations of passport losses and passport applications processed by police departments have become so numerous in recent years that a working commission was set up at the DGSN to consider ways and means to check passport traffic. People at the DGSN said that proposals to that effect were submitted to the authorities. But they were reluctant to discuss the measures that might be taken. They merely indicated that police departments will make sure that the law is strictly applied.

Will there be a return to the restrictions imposed on unemployed young people before the February 1989 Constitution? Will exit visas be re-established to allow for better control of people planning to travel abroad?

The second option is hardly likely, not to say quite ludicrous in the Algeria of 1993; however, considering the attention given to this matter, administrative measures aiming to regulate travel abroad might well be adopted in the next few weeks.

Economic Forecast for 1993-95 'Positive'*93AF0451A Algiers ALGER REPUBLICAIN in French
25 Jan 93 p 5*

[Article: "Optimism"]

[Text] (APS)—Less borrowing, a lower debt balance, a lower ratio of debt to exports, and favorable growth in the gross domestic product (GDP) are the main economic prospects for Algeria in the medium term as forecast by the government for the period from 1993 to 1995.

According to those economic forecasts, debt service should drop from \$9.42 billion in 1992 to \$7.66 billion in 1995. The ratio of debt service to exports should fall from 77.8 percent in 1992 to 55.2 percent in 1995.

Medium- and long-term borrowing is expected to decline from \$7.07 billion in 1992 to \$4.05 billion in 1995.

As far as the trade balance is concerned, exports, which totaled \$12.11 billion in 1992, should fall to \$12.04 billion in 1993 and then rise to \$13.87 billion in 1995. Imports should also rise, going from \$9.93 billion in 1992 to \$11.28 billion in 1995.

Throughout the period in question, the trade surplus should be favorable by more than \$2 billion. The balance in medium- and long-term foreign debt, which was on the order of \$25 billion in 1992, should drop by at least \$7 billion over the next few years and total 24 percent of GDP in 1997, compared to 56 percent in 1992.

This means that medium- and long-term debt, which totaled \$25.21 billion in 1992, should total \$23.74 billion in 1993, \$21.92 billion in 1994, and \$20.24 billion in 1995.

For its part, short-term debt will probably decrease considerably: from \$1.24 billion in 1991 and \$950 million in 1992 to \$700 million in 1993 and \$470 million in 1995.

The grand total of short-, medium-, and long-term debt is therefore expected to decline noticeably over the next two years, from \$27.17 billion in 1991 and \$26.16 billion in 1992 to \$24.44 billion in 1993 and \$20.71 billion in 1995.

Growth in the money supply and in fiduciary issue will slow appreciably between now and 1997. The money supply, which now totals 48 percent of GDP, compared to 90 percent three years ago, totaled 21.3 percent in 1991 and 27 percent in 1992; it will decline to 25 percent in 1993 and to 7.8 percent in 1997.

Money in circulation will follow the same trend, dropping from 20.5 percent in 1992 to 14.5 percent in 1993 and 7.8 percent in 1997.

In the case of gross foreign exchange reserves, plans call for limiting their decline to \$400 million in 1993 and 1994, the purpose being to maintain a level of reserves equal to three months of imports. The latest estimates put net reserves at \$1.6 billion.

For its part, GDP could rise by an average of 2 percent in 1993 and 1994 and by more than 6 percent between 1995 and 1997. In the early part of the period in question, growth will be due basically to a boom in the sectors of agriculture (+4 percent) and construction and public works (+6 percent).

After redeeming the bank overdrafts incurred by state-owned enterprises (300 billion dinars), the Enterprise Reorganization Fund will continue to cover exchange losses incurred by the banks in connection with old loans on behalf of the state and to pay the principal and interest due in connection with obligations to redeem bank overdrafts incurred by the enterprises.

Payments from that fund will decline in 1994 and stabilize at around 37 billion dinars by the end of the period (1995-97).

As part of its forecasts for 1993, the government is planning a sizable resumption of investments so that beginning in 1995, development can take on "significant dimensions."

New Regulations To Encourage Foreign Banks*93AF0444C Algiers EL WATAN in French
27 Jan 93 pp 1, 4*

[Article by Ahmed Ancer: "Green Light for Foreign Banks"]

[Text] Algerian authorities have taken new measures to ease banking regulations to permit international financial enterprises to get established in our country.

The decision was made public the day before yesterday by the Council on Currency and Credit (CMC), which recently approved draft language covering "conditions for the creation of banks and financial institutions and establishment of branch offices of banks and foreign financial enterprises." The communique gave no more details.

We know however that Algerian financiers have had contacts recently with agencies of foreign banks maintaining a presence in Algiers. This initiative was doubtless taken to collect information regarding problems and requirements of their foreign counterparts.

In that regard, the proposed new regulations can do little more than introduce a degree of flexibility, because the Law on Currency and Credit that was enacted with many misgivings by the National Popular Assembly in 1990 did not authorize implantation of foreign banks and financial establishments.

The results have been meager, and El Baraka Bank is the only joint venture in the sector that has seen the light of day. Foreign banks, which consider Algeria's laws to be highly restrictive still, despite openings initiated by the

reformist government of Mr. Mouloud Hamrouche, have limited themselves to opening agency offices.

Citybank NA, National Bank of Paris (BNP), Credit Lyonnais, Societe Generale, and Wafabank have agencies in Algiers. The latter carry on no business activity, however, except for providing liaison services through their Paris offices, for French banks and for their agencies in Tunis and Casablanca (Citybank and Wafabank, respectively). Contacted by newsmen, some agents said they believe Algeria is still a country hobbled by "constraints," although they noted appreciatively the efforts that have been made to open things up and move toward a market economy.

Algeria's demand for an initial capitalization of 500 million Algerian dinars has not been well received. The deputy manager of the Algiers agency of Societe Generale thinks "massive financial commitments" are being demanded of foreign bankers. He also thinks Algerians have enough financial resources of their own to engage in operations.

Another liaison office representative throws a different light on the question, saying "it's not the amount of capital required initially that's significant, but the very fact of establishing a minimum." One doesn't have to set a capitalization minimum for a bank with a worldwide reputation, because it has its own strategy. "Algeria," he adds, "is a very highly regulated country, and the law does not facilitate activity by foreign banks."

In answer to questions about the difficulties currently besetting Algeria (destructuring of the economy, lack of qualified personnel in the field, terrorism), he observes that none of those difficulties poses insurmountable obstacles to banking activity.

"These are relative aspects, examples of the constraints one encounters in one form or another in any country in the world."

Will foreign banks put down roots here, once current banking regulations are eased? It is difficult to say at this point. Bankers at this juncture are preoccupied with preservation and protection of their positions, because international conditions are not looking up just now.

Energy Minister on Hydrocarbons, Exports

93AF0453A Algiers ALGERIE ACTUALITE in French
10-16 Feb 93 pp 4-5

[Interview with Minister of Energy Hacene Mefti by Mourad Laras; place and date not given: "After Petroleum, There Will Still Be Petroleum"]

[Text] *Is there a rush to Algeria by the oil companies? Not really, but a strong interest in exploring national mining properties has become apparent since the amendments to the law on hydrocarbons were approved. More than any other sector, hydrocarbons are the area where the viability of partnerships is being confirmed, probably because the*

partners do not have their sights set on the short term and because it is long-term interests that are resulting in agreements between the parties concerned. In a strong position because of its natural resources but also because of its infrastructure and its people's know-how, Algeria possesses undeniable advantages when it comes to negotiating a dynamic entry into the international division of labor. At least that is what emerges from remarks by Minister of Energy Hacene Mefti, who discusses the prospects with us in this interview.

[Laras] The amended provisions of the law on hydrocarbons reveal a bold openness to partnerships. Can this be called a strategic and irreversible option?

[Mefti] It is useful to point out that the amendments to the law underlie a strategy for boosting the economy which, in view of the very strong constraint represented by our current debt, must be based primarily on the country's own resources, especially hydrocarbons. But even without a debt crisis, development of the hydrocarbon sector required that a competitive framework be made available as a response to the considerable opening up to international oil companies that is taking place in many producer countries as they look for modern capital and technology.

[Laras] Might the idea of partnerships go so far as to include the internationalization of Sonatrach [National Company for the Transport and Marketing of Hydrocarbons] and authorization for others to invest in that company?

[Mefti] Sonatrach is currently associated with about 20 international oil companies for exploration purposes. That is a form of internationalization. If the time comes when it can afford to invest in the downstream side of the petroleum and gas business abroad, it will simply be expanding and consolidating that internationalization. But that kind of internationalization does not necessarily mean privatization. Take the example of the Venezuelan company, the PDVSA [Venezuelan Petroleum, Inc.]. It has supposedly been "internationalized" because it has been acquiring refineries and distribution systems abroad for the past 10 years. Within that country, the petrochemical industry has been developed almost entirely through joint ventures with foreign partners. The Venezuelan Government has recently been considering a gradual opening up of the upstream side of the petroleum industry. But the PDVSA's capital is still owned 100 percent by the Venezuelan state.

As far as Sonatrach is concerned, no acquisition of a stockholding interest is being considered. On the other hand, so far we have gotten the partnership program in connection with producing fields under way by promoting the concept of production sharing. Today we do not rule out the possibility of joint ventures in some of those fields. Naturally, we will continue to require in advance that our partners have the necessary technological and financial capability.

In Sonatrach's case, what is in the works is a modernization and redeployment process aimed at strengthening the firm's organizational resources against its future partners and enabling it eventually to enter into a partnership involving cross holdings and even—why not?—strategic alliances in areas where it has accumulated very sizable experience. Here I am thinking of the gas industry in particular.

[Laras] The trade press recently reported a rush by companies into Algerian mining properties. Do you consider the results satisfactory?

[Mefti] It is true that things have speeded up in that area. But calling it a "rush" may be going a little too far. The speedup is well illustrated by the number of contracts signed since the amendments were approved. Of the 26 contracts signed so far, nine were signed in 1992, compared to six in 1991, four in 1990, and so on. Sonatrach signed two contracts in January alone, and the most recent of those was with a company that is international in scope: British Petroleum (BP). We do not feel that a rush, as you call it, is occurring so far, but the emerging trend is very encouraging considering the context in which those relations have gotten under way.

[Laras] What exactly is the situation with the political risk that is often mentioned in connection with Algeria?

[Mefti] Every industrial, commercial, or financial relationship at that level is based on a mutual evaluation of the risks involved. Those risks are sized up in relation to criteria and judgments that differ in each case, and they may differ from one institution to another. What we have found in our various contacts so far is that despite the political climate, the security problems, and the severe socioeconomic constraints, our partners project a quite positive view of the future. In the case of the oil companies, the figures I gave you concerning the exploration contracts already signed show that those firms have not hesitated to become involved with Sonatrach.

Their perception of the risk is not static and is not limited to the short term. They resolutely take a dynamic long-term view and feel that the investment environment can only improve both politically and economically. By confirming the choices made over a year ago and announcing its firm intention to create the best possible conditions for activity by our partners, the government of which I am a part has given the long-awaited signal in that direction.

[Laras] Can we expect a contribution of capital in 1993 in the form of "bonus payments" for permits?

[Mefti] You are referring to the program for improving the recovery rate in crude oil deposits already in production. I must point out that that operation was designed not only as a preferred means of halting the decline in crude oil production and possibly reversing it but also, in fact, as a means of attracting capital quickly in the form of direct investments and bonus payments.

But we have already said that the proposals made so far by the oil companies submitting bids were below what we were expecting. Besides the fact that those proposals can always be improved, since negotiations between Sonatrach and a short list of partners are continuing, it must be emphasized that the program has turned out to be very complex because it is not only financial but also primarily industrial and technical in nature. The main objective on the Algerian side is to ensure that the proposed solutions will really help improve the productivity of the oil deposits.

That being said, we still expect to receive capital contributions in 1993. Their amount will depend on the negotiations now under way.

[Laras] Sonatrach's ambition is to double the volume of its gas exports in the medium term. What is the reason behind that program?

[Mefti] Remember that in the early 1980s, limiting our volume of exports was said to be justified by a steady increase in petroleum prices on the international market. The result of that policy was a considerable loss of income for the country. The collapse in prices in 1986 and their continuing low level since then are still penalizing us. Today, despite the prospects for doubling our gas exports, our total exports in terms of volume will continue to grow very slowly because the additional quantities of gas will do no more than partly offset, at least in the beginning, the decline in our exports of crude oil and refined products. That limitation of our export volumes is a little frustrating in view of the very encouraging outlook for gas.

Although our export objectives at the moment have an upper limit of 60 billion cubic meters per year by the year 2000, the sizable markets available to us lead us to expect higher export levels in keeping with the potential capacity of the facilities now being built or repaired—meaning some 75 billion cubic meters per year beyond the year 2000. From the standpoint of improving economic conditions, the additional quantities necessary for reaching that higher level would result from mobilizing the country's vast potentialities.

[Laras] Considering the objectives assigned to the hydrocarbon industry in the government program, can we venture to conclude that after petroleum there will still be petroleum?

[Mefti] It is in fact the entire problem of using petroleum income to create other means of generating wealth that must be dealt with. It is a vast question, and one that we will have occasion to discuss again, I hope. For the moment, I personally would tend to think in terms of developing the Algerian petroleum and gas industry, which must constitute an asset for the future. Downstream development and a consolidation of our know-how all down the line can constitute a potential resource capable of contributing to a gradual replacement of actual income from petroleum.

Your question can also be approached solely from the standpoint of the hydrocarbon industry. In that case, taking into account the country's other potentialities, which we have been unable to develop owing to the lack of appropriate financial but also technological resources, I would say that after petroleum there will still be petroleum.

[Laras] The most recent OPEC agreement reached in Vienna did not make it possible to firm up prices. What is your analysis of developments in the market?

[Mefti] Simply that there is too much petroleum on the market. We considered the November agreement unsatisfactory because the ceiling that was finally adopted was too high to force the necessary drawdown of inventories and thus improve prices significantly. But we brought up the possibility that if the agreement were complied with, the worst would be avoided and prices might also remain at an acceptable level. Naturally, other factors besides compliance with the agreement also entered into play, examples being the harshness of the winter, which affects demand, and, on the supply side, the rate of increase in Kuwaiti production, since Kuwait is not in fact tied to a quota.

All those factors combined in an unfavorable way to create the slump that you are aware of. The OPEC basket price dropped to close to \$16 a barrel at the start of January, or nearly \$5 less than the reference price. True, it did stabilize shortly after the chairman of OPEC took the step, which we supported very early on, of visiting the member countries to make officials at the highest level aware of the need for urgent action. As the meeting by the Ministerial Supervisory Committee is about to begin, there seems to be consensus in favor of vigorous action to overcome the current slump.

[Laras] That consensus seems to be moving in favor of a lower production ceiling. How big a reduction do you favor?

[Mefti] On 13 February, in anticipation of the end of winter, we will renegotiate the production ceiling downward to allow for the seasonal weakness in demand that occurs during the second quarter. The principle agreed on by all the members is that it will be necessary to revise current production downward. The question will be how much and by what means. Although certain countries have already suggested levels lower than the ceiling established last November as well as methods of apportionment, we prefer to begin by analyzing jointly the way the situation is developing in terms of supply and demand and examining the state of inventories and the possible impact of all those basic factors on prices.

We hope the member countries will face facts and realize that no improvement in prices can be achieved without forcing a significant reduction in inventories. From that standpoint, the reduction being suggested by some—a drop of 1 million barrels per day from the ceiling set in November—is likely to be insufficient.

[Laras] Following in Ecuador's wake, last November some countries reportedly announced that they wanted to leave OPEC, while others said they wanted to join. Doesn't that involve a risk of destabilization?

[Mefti] Last November, Ecuador confirmed its request to leave the organization, and as a result, the Conference finally decided to suspend its participation. Ecuador was careful to explain that its reasons for leaving were purely economic, and it took the opportunity to reaffirm its faith in the objectives being pursued by OPEC. And it is not out of the question that Ecuador may someday rejoin the organization—once the factors responsible for its withdrawal have disappeared. That being said, no other member country has expressed a desire to leave OPEC, and all the rumors circulating on that subject have been denied. On the other hand, certain producer countries that are not members have announced their intention to join OPEC. Under its bylaws, the organization is open to new members on the sole condition that the countries in question be net exporters of crude oil and have basically the same interests and objectives as the existing members.

Industrial Production Down; Factors Discussed

93AF0451D Algiers ALGER REPUBLICAIN in French
18 Jan 93 p 10

[Article: "Downward Movement"]

[Text] The weakening of industrial production excluding hydrocarbons—a drop of nearly 1.5 percent in the third quarter of 1992 following a slight improvement during the preceding quarter—was due to persistent difficulties in obtaining raw materials.

That is revealed by the National Statistics Office (ONS) in its latest bulletin.

The ONS explains that difficulties with supplies, combined with disruptions caused by the various adjustments to producer prices and the devaluation of the dinar, were the main factors having a negative influence on production in all sectors of industrial activity.

The rate at which production capacity was utilized did not improve at all during the third quarter: it did not exceed 75 percent in nearly 64 percent of the firms.

Moreover, the Treasury did not note any recovery by nearly 75 percent of the firms using bank credits, according to the ONS, which emphasizes that 71 percent of the firms are unable to obtain bank loans because of their solvency problems and unattractive short-term prospects.

By sector of activity, energy production registered growth of nearly 5 percent (steadily rising production), while the sectors of iron and steel, metallurgy, engineering, and electronics were marked by a noticeable drop in production during the third quarter. The sharpest declines involved electrical consumer goods

(-39.2 percent) and electrical equipment goods (-42.5 percent). According to the ONS bulletin, this is due to the technical shutdown at the ENIEM [National Electrical Appliances Industries], which resulted in reduced working hours.

The building materials industry experienced growth of nearly 11.4 percent between July and September.

Results in the food industry showed a decline of 2.1 percent. Higher prices for certain subsidized products, the reduction in imports, and fluctuations in consumption explain that drop in production.

For its part, the textile, leather, and footwear sector experienced a drop of 0.1 percent, although production by the textile industry was up by 3.7 percent for the nine months.

Last, production by the wood, cork, and paper industry was below the figure for the first three quarters of 1991.

Also according to the ONS, the total demand for jobs during the third quarter of 1992 was down 28.28 percent from its second-quarter level, while total job offers during the third quarter of 1992 were 13.53 percent below their second-quarter level.

Regarding the final figures for fiscal 1992, the National Statistics Office expects them to show that the year was marked by a downward trend in the chief economic indicators due to the deterioration of the petroleum market, the declining value of the dollar, and the size of debt service. The downturn in economic activity and the financial difficulties of the firms weighed heavily on the state's budget equilibrium: the budget deficit for 1992 is expected to total about 80 billion dinars.

Program Launched To Reduce Food Imports

93AF0451C Algiers LIBERTE in French 15 Feb 93 p 10

[Article by K.R.: "\$1 Billion Reduction"]

[Text] Algeria plans to reduce its food imports by \$1 billion in 1993. That would reduce the food bill from \$2.2 billion to \$1.2 billion.

Algeria plans to stop importing potato seed and tomato concentrate in 1993. An amount of \$110 million was earmarked for the purchase of those two products in 1992.

The Ministry of Agriculture has launched various programs for reducing food imports. First of all, the ONAB [National Animal Feed Office] will cooperate with the OAIC [Interoccupational Algerian Grain Office] in financing a vast program to develop the cultivation of triticale, a cereal that is an ingredient in livestock feed. That program will reduce imports of soybean cake from 130,000 to 120,000 metric tons.

A program for encouraging local dairy production has also been launched to limit milk imports. Milk consumption per capita totals 110 liters. But local production does not exceed 40 liters. Dairy cows are being imported for this program.

Plans also call for a number of actions aimed at increasing poultry production. It should be pointed out that \$230 million were spent in 1992 to buy veterinary products and feed for use by poultry farmers.

In addition, it is expected that a sizable increase in grain yields will limit imports. Algeria ranks among the 10 largest grain importers. To reduce those imports, the OAIC, which is responsible for regulating and covering national grain requirements, has set aside a fund of 1.8 billion dinars to support production. The ENCG [expansion not given] is also cooperating with the Ministry of Agriculture and the ITGC [expansion not given] on a program for cultivating 200,000 hectares of oil seeds in order to reduce imports of raw materials for the refining of oils. The program provides incentives for farmers.

Last, the contemplated reduction in food imports meets one of the Abdesselam government's objectives, which is to bring about a sizable reduction in foreign purchases in order to relieve the financial constraint represented by the debt burden.

Traffic at Algiers Port Reportedly Down

93AF0444A Algiers LE SOIR D'ALGERIE in French
29-30 Jan 93 p 2

[Article by S.Lamine: "Visible Slowdown at Port of Algiers"]

[Text] It is a clear indicator that foreign exchange is scarce when it is allocated solely to import basic necessities. The rigorous effects of such a policy on imports can be observed and verified only at those places (the "lungs," as it were) where goods are circulated and exchanged, to wit the ports.... Statistics on activity at the port of Algiers, which handles a larger volume of maritime commerce than its counterparts elsewhere in the country, give an accurate picture of the effects of implementation of the governmental directives announced early in fourth quarter 1992.

A casual glance is enough to show there are no longer dozens of ships in the roads in the port of Algiers.

Although the fourth quarter is always a time of drawing up balance sheets and waiting for new budgetary appropriations and new contracts, in 1992 it served also to confirm a downward trend in shipping and thus commerce, which had been observable from the beginning of the year.

Maritime shipping dropped about 7.96 percent from the same period the previous year, and the quarter was also marked by a 9.97-percent decrease in overall traffic. This tendency undoubtedly results from the slowdown in

external trade, which remains dominated by the Western countries (OECD [Organization for Economic Cooperation and Development]): In fact, 60 percent of external trade is with West Europe. The volume of goods embarked and debarked in fourth quarter 1992 was 1,591,865 [metric] tons, compared to 1,768,171 for the same period in 1991, according to an activity summary prepared by the directorate of the Algiers port authority.

The document notes that as of the end of 1992, overall traffic was down 10 percent from 1991, and the decline was particularly pronounced in the following areas:

- agricultural products—25 percent;
- food staples—22 percent;
- miscellaneous merchandise—8 percent;
- construction materials—41 percent;
- chemical products—3 percent.

Significant increases were reported only in specialized shipping.

Container traffic was up 13 percent (by number of containers) and 10 percent (by tonnage), compared to the same period of the preceding year; the corresponding increases over third-quarter activity were 23.8 and 28.4 percent, respectively. The security advantages of containerization enabled this transport subsector to continue its steady growth despite poor economic conditions.

Passenger traffic, however, declined 16 percent compared to the same period of the previous year.

Finally, despite the reduction in average number of days in the roads (down 30 percent, from 3.68 to 2.57 days) and days at pier (down 10.8 percent, from 7.48 to 6.67 days), overall port efficiency was unimproved, in that the average length of stay of merchandise in port was still 50 days.

Although that represents 11 days less than in 1991, the delays persisted even though traffic volume had diminished considerably.

The Algiers port authority notes however that despite the almost 1-million-ton reduction in volume of merchandise traffic, it has reached the objectives it set for itself; it also notes the equipment and modernization program launched in 1989 continued in 1992.

Without impairing financial stability, the port authority increased base wages, bonuses, and allowances for 4,300 employees, augmenting total payroll by 40 percent.

Sonatrach CEO on Performance, Future Plans

93AF0418A Algiers EL MOUDJAHID in French
9 Feb 93 p 5

[Article by Amar Aouimer: "Sonatrach (National Company for the Transport and Marketing of Hydrocarbons) CEO's Press Conference: A Boom"]

[Text] Sonatrach's major objectives are many and varied. It is expected to:

- increase reserves and production as well as exports, either in absolute terms or to prevent a production decline (emphasis was placed on additional production, production development, and increasing existing reserves);
- cover the country's long-term requirements; hence the need to identify new reserves and promote diversification through partnerships with foreign companies. This, therefore, is a major development line with respect to Sonatrach's and foreign companies' interests;
- diversify production by investing downstream, with foreign partners taking up part of the risks and opening other markets, providing access to foreign markets;
- contribute to the country's economic development by participating actively and pragmatically in the implementation of national integration efforts and the creation of jobs.

These are the main points developed yesterday by Mr. Abdelhak Bouhafs, general manager of the national company Sonatrach, at a press conference held at the guest villa and attended by many Algerian and foreign journalists.

Actually, Sonatrach has great ambitions, both at national and international level. It intends to make its prospecting, exploration, production, and marketing activities profitable, with a view to conquering foreign markets and carving out a choice niche for itself on the international scene.

Sonatrach in London and Amsterdam

In this respect, Mr. Bouhafs stressed that "it is imperative that we should refocus on traditional activities and devote most of our human and financial resources to these activities. We shall, in stages, develop activities yielding financial resources that will enable us to reinvest."

The Sonatrach general manager stressed in particular the "trading" function, which consists in multiplying international marketing activities. "We have created two marketing companies, one in Amsterdam, the other in London. They specialize in oil and gas marketing, activities that may generate the resources needed to invest in other fields," he said.

There is also some talk of exporting services. Sonatrach intends to create structures to export services in order to generate foreign currency income.

The investment, which will take place upstream, is designed to diversify activities and be represented on other gas and oil markets.

"We are currently negotiating a partnership in Bangladesh with American companies, with a view to discovering gas, as Sonatrach possesses substantial (broad) experience in the field of gas prospecting and exploration," Mr. Bouhafs stated, adding that he intends "to fulfill a duty toward national public opinion as well as toward international oil and gas industry circles: that of publishing the results of our activities during the year...."

In 1992, Mr. Bouhafs noted, results were positive although prospects seemed "uncertain." Overall, Sonatrach succeeded in many respects: it produced, transported, processed, and exported the equivalent of 2 to 3 million tons more than in 1991, Mr. Bouhafs pointed out, adding: "The production level of 2 million barrels per day, with exports of 1.7 millions barrels per day, which we had achieved in the past two or three years, was maintained."

Concerning financial figures, Mr. Bouhafs said: "Unfortunately, international market prices were on the average lower than in 1991...so that our exports represented about \$11 billion, i.e., \$1 billion less than in 1991."

Actually, exports are beginning to pay off and to provide the country with eagerly awaited financial resources. Mr. Bouhafs stated in this respect: "Our receipts are back to levels close to those of the pre-1986 period, when oil prices were higher."

Mr. Bouhafs stressed the effectiveness, efficiency, and rationality of Sonatrach's activities: "These results are due in particular to improvements in the operation of our production, transport, and processing facilities. An example of this is the performance of the Arzew gas liquefaction complex (GL1Z), which achieved a production increase of over 17.7 percent. As for gas exports, they increased by more than 5.2 percent by volume."

Performance Indices

Among the positive factors that benefited Sonatrach, we could also mention new facilities being set into service and new deposits being brought into production. They include the Rhourde El Baguel and Haoud Berkouli gas lifts, and four recently discovered deposits that were set into production, namely two gas deposits at Rhourde Chouf and Rhourde Hamra, and two oil deposits at Hassi Guettar and Hassi Chergui Nord.

The Sonatrach general manager stressed the decision to "develop the BRN [Bir Rebaa Nord] deposit discovered jointly with the Italian AGIP [National Italian Oil Company], which is the first material and significant result of exploration in partnership...to be set into production."

Mr. Bouhafs also mentioned two other fundamental factors testifying to his company's success in 1992.

These are new techniques "that were introduced in our field of activity." Those Mr. Bouhafs mentioned were:

- the first successful horizontal drilling performed on the Hassi R'Mel oil ring. This opens new prospects to improve the yields of oil and gas deposits, identify the reserves of small marginal discoveries, and, possibly, resume the development of depleted and abandoned deposits;
- the introduction of the Distributed Control System (DCS) to improve the reliability and optimize the operation of our complexes;
- the design and engineering of a (large-diameter) fiberglass gas pipeline routed over uneven terrain and using mixed fiberglass-steel fittings; this we achieved through our own means and thanks to a dynamic and skilled team from our pipeline transport branch.

Marked progress were achieved with respect to various future projections, including the development of prospecting and production partnerships: nine agreements were finalized and signed, mostly with Anglo-Saxon companies; they come in addition to those signed previously, mostly with European companies, and mark the start of a serious and wished-for diversification of our partners. Concerning gas marketing activities, Mr. Bouhafs pointed out that:

"We can also mention that our objectives concerning gas marketing have been reached to a large extent.

"During 1992, three gas sales far contracts were signed; they involve annual volumes of 12 billion cubic meters [m³], thus bringing our total commitments to 56 billion m³ per year, under normal conditions." Last year also enabled us to assess Sonatrach's ability to implement and materialize development projects.

Nevertheless, the company met with obstacles, in particular financial and logistic obstacles.

"The major constraint we encountered had to do with credit mobilization. Yet, it is imperative to intensify our efforts and show more imagination with respect to the technical configuration and implementation methods of our projects. Especially where the role and contribution of national resources in this field are concerned."

Sonatrach ambitions to redeploy itself and acquire international and strategic, or even geostrategic importance. "There is an imperative need to overhaul the company and, in the country's interest, have new ambitions for Sonatrach."

The year 1993 will be decisive in boosting Sonatrach and giving it new impetus in all sectors.

"The year 1993, when Sonatrach will celebrate its 30 years of efforts and work, will see the material and actual confirmation of these ambitions, namely that of a

dynamics of technological and managerial reinforcement at national and international level," Mr. Abdelhak Bouhafs pointed out.

The Sonatrach general manager also noted that, in 1992, the regrouping of national companies around strategic projects, such as the Hassi R'Mel pipeline, was encouraged.

In January 1992, CONDOR [expansion not given] was created: it is an engineering company that will constitute a performance tool; other cooperation ties exist with NAFTEC [expansion not given] and the HCR [expansion not given]; a joint subsidiary of Sonelgaz [National Electricity and Gas Company] and Sonatrach was created; Sonatrach also cooperates with General Electric to repair gas turbines. There is also a system used to manufacture equipment and spare parts.

Overhaul and Management Methods

Mr. Bouhafs emphasized mostly the enhancement and need to develop human resources and management methods, stressing qualification work, effectiveness, and rationality, as well as technical cadre training and skill enhancement through qualification-training and advanced-training courses for the personnel.

Sonatrach employs over 33,000 agents. It achieved sales of 300 billion dinars in 1992, of which 190 to 193 billion were paid to the internal revenue department.

Positive Results

Sonatrach has purely professional objectives in the fields of technology and financial research, especially with its partners. It has signed 27 agreements since 1987, and has completed 100 exploratory drillings over an average 10-year period. Over \$800 million are invested in prospecting in Algeria.

In 1992 only, the company invested \$160 million over 500,000 square kilometers [km²], 200,000 of which are held by its partners operating in this area.

The objective is to identify new reserves and sign 50 exploration contracts in 1993 (this figure has almost been reached now).

The trans-Mediterranean pipeline, Mr. Bouhafs said, is a project of international and geopolitical importance, and we control 727 km of it from the border to Morocco.

The European Investment Bank (BEI) has shown interest in this project and it will provide 40 percent of the project cost.

Gross oil and gas production, all products together (extraction from oil and natural gas fields) amounted to about 162.3 million oil equivalent tons in 1992. During

that year, crude oil and liquefied natural gas: 103.8; liquified petroleum gas: 4.5. [sic]

As far as the domestic market supply and marketing are concerned, Sonatrach delivered 21 million tons of crude oil to the country's various refineries.

Meanwhile, Sonatrach's total 1992 oil and gas exports amounted to 85.8 million oil equivalent tons.

Nevertheless, crude oil and refined product prices deteriorated.

Export sales amounted to \$10.9 billion (compared with \$11.9 billion for the previous year).

As far as contracts and agreements are concerned, new laws and regulations provide that partners will benefit from a tax credit with their respective countries' administrations, and that disputes will be settled through international arbitration.

Three new natural gas marketing agreements were signed in 1992:

- On 8 June: with the Spanish Enagas [National Gas Company], covering the construction of the Maghreb-Europe gas pipeline that will transport 7 billion m³ starting in 1995, including 1 billion m³ to Morocco and 6 billion m³ to Spain;
- On 11 October: with the Italian ENEL [National Electric Power Agency], covering a volume of 4 billion m³ per year, to produce electricity;
- On 22 December: with the Portuguese consortium Natgas [Natural Gas], for the delivery of 2.1 billion m³ per year.

As far as financing is concerned, two \$1-billion agreements were signed. They deal with the financing required to overhaul the Hassi R'Mel, Arzew, and Skikda gas processing and liquefaction facilities.

One agreement, signed in Washington on 30 September with Eximbank U.S.A. and Citi Bank NA, amounts to \$485 million.

The other, signed in Tokyo on 1 October with Eximbank Japan, amounts to \$514 million.

Finally, Sonatrach and Sonelgaz, in partnership with General Electric, have created a joint subsidiary, Algesco [expansion not given] to take over responsibility for the Algerian power turbine base. Algesco's mission will be to provide effective maintenance of this equipment at national and regional level.

The human resources facet is an important one, and it is instructive.

Sonatrach employs 33,180 full-time agents, comprising 12,636 cadres, 15,227 supervisors, and 5,317 operators. In addition, 1,803 temporary agents under contract work for the company.

Sonatrach Reports Prosperous 1992*93AF0453D Algiers LIBERTE in French
10 Feb 93 p 10*

[Article by Samir Knayaz: "Production Level Maintained Despite..."]

[Text] *Sonatrach, the national hydrocarbon company, reportedly achieved a good many of its objectives in 1992 even though the early part of the year was marked by uncertainties. That was what emerged from a press conference held by company officials on Monday.*

At a press conference held by Mr. Bouhafs to inform national public opinion and international circles in the petroleum and gas industry concerning the results of the company's activities in 1992, the general manager of Sonatrach emphasized that last year had begun with rather uncertain prospects but that overall, it turned out better for the company.

That "better" is reflected primarily in the figures: Sonatrach produced, transported, processed, and exported some 2 or 3 million metric tons more than in 1991. Thus the level of 2 billion barrels per day in production and 1.7 billion barrels per day in exports, achieved two or three years ago, was maintained.

The value of the company's exports totaled only \$11 billion (\$1 billion less than in 1991), however, the reason being the deteriorating petroleum market. But Sonatrach's revenues did return to levels close to those during the period before 1986, when petroleum prices were higher.

According to Bouhafs, those results are also due to improved utilization of the company's production, transportation, and processing facilities. In that context, attention should be drawn to the performance by the Arzew Gas Liquefaction Complex (GL 12), which increased its production by more than 17.7 percent. For their part, gas exports rose by over 5.2 percent in volume.

Elsewhere, new facilities or deposits also entered service during 1992, primarily the gas lift operation in Rhour de El-Baguel and at the Haoud Berkouli center.

Four other deposits, just recently discovered, also entered production. They are Rhour de Chouf and Rhoude Hamra (gas) and Hassi Ouetar and Hassi Chergui Nord (oil).

For Sonatrach, 1992 was also the year of technical innovations. For example, our hydrocarbon company successfully completed its first horizontal drilling operation in the Hassi R'mel oil belt. That success opens up new prospects for improving production from the oil and gas deposits, reconnoitering the reserves in small marginal discoveries, and possibly resuming operations in depleted and abandoned deposits. Sonatrach also introduced the DCS (distributed control system) for improving the reliability of the complexes and optimizing their operation.

In addition, the pipeline transportation branch designed and engineered the route for a large-diameter fiberglass gas pipeline over hilly terrain, including its mixed connections (fiberglass and steel). That work was done entirely with the company's own resources thanks to a dynamic and competent team.

As regards the development of joint ventures for prospecting and production, Sonatrach signed nine new contracts in 1992, bringing the total to 27. Those nine contracts were signed mainly with Anglo-Saxon companies. This means that Sonatrach is diversifying its partners, because several European firms are already working in partnership with our hydrocarbon company.

The year 1992 was one in which Sonatrach achieved its objectives in the field of gas marketing. For example, it signed three gas sales contracts covering annual volumes of 12 billion cubic meters. This will bring the company's total commitments to 56 billion cubic meters per year when operations are in full swing.

Sonatrach also tested its ability to achieve its development objectives last year, but raising money was a major constraint. On that subject, Bouhafs said: "We must also make more effort and show more imagination with respect to technical configuration and the way we carry out projects, especially regarding the place and contribution of domestic funds in this area."

That being said, Sonatrach is not contenting itself with its results for 1992. It is already preparing for 1993, which, according to its general manager, will be characterized by a dynamic of technological and managerial reinforcement both domestically and internationally.

Price Controls: Food Shortages at Markets*93AF0471D Algiers ALGERIE ACTUALITE in French
2-8 Mar 93 p 3*

[Article by F. Metaoui and M. Saad: "The Markets: How Long Will Anarchy Reign?"]

[Text] Merchants in Algiers are angry. The most recent measures taken by the governorates' Directorate of Competition and Prices punishing produce retailers and, to a lesser extent, butchers for not issuing invoices seem to be at the root of this revolt.

Most display cases in the capital's markets were empty yesterday. Following the example of others, Mellah Ali market located at Place du 1er Mai had little to offer customers, contrary to custom. The same was true of the Djamaa-Li-Houd and Hussein-Dey markets.

Was it a strike without the name? Merchants meeting at UGCAA (General Union of Algerian Merchants and Craftsmen) headquarters in Algiers yesterday denied it.

"It was a simple sign of protest" against what they call "rash, irresponsible decisions by price controllers." Secretary General Shailia, who presided over the meeting,

said the Union did not expect to call for a strike "because the current conditions in the country do not permit it."

For the union leader, it was a matter of making merchants sensitive to new measures imposed by the controllers, "who have failed to take into consideration the difficulties retailers have in obtaining their products."

"The controllers must be reasonable. Why do they close their eyes to the illegal practices of certain vendors who work the sidewalks as they did in the old days, with no official license?" he asks. Several other merchants joined together to say that the problem stems from the brokers and wholesalers, who are accused of not following the law on invoices.

"They just give us sealed vouchers instead of invoices," one old merchant on Rue Bouzrina (the Casbah) said. Furthermore, continued an old produce vendor at Amar El-Kama market, some brokers ply their trade at wholesale markets with no commercial registration or any other official document. "How can they issue invoices?" he asks. For him, the anarchy reigning at the markets cannot be eliminated by "hasty" decisions.

Lack of Security

For other merchants, the root of the problems is to be sought at the Bougara and Boufarik wholesale markets (governorate of Blida). "There are wholesalers there who market their goods outside the official areas. Without invoices, they can sell without being bothered by anyone. Other speculators make the law in such places, even by force," said one merchant at the Ali Mellah market.

Several retailers speak of the lack of security reigning at such markets. "In addition to ever greater fear, there is frantic speculation. Last Friday, pimentos, initially sold by a Biskra wholesaler for 30 dinars, had gone up to 120 by the time it reached the fourth buyer." Butchers say there is no legal market for chicken. Everything is bought on the black market from breeders. "ORVIC can no longer meet our needs. We buy from farmers who do not have invoices. How can we explain that to the controllers?" one chicken vendor asked. The UGCAA has recommended in a bulletin that merchants to abstain from buying "in order to avoid any resulting seizure or violation."

The Directorate of Competition and Prices in the governorate of Algiers says that controllers are merely applying the law. "The produce trade is the only one in which prices are unregulated, according to Law 89/12. At our level, we require only two things: standard posting and proper invoicing," says Aissa Ghanem, head of the directorate.

According to Ghanem, the retailer must demand an invoice from the wholesaler in order to be able to sell his merchandise.

Inasmuch as the wholesale market is difficult to control from the standpoint of price and quality, controllers have gone after retailers in order to urge them to buy only with invoices. "Since the Les Halles wholesale

market disappeared from Belcourt, there has been nothing but anarchy," Ghanem told us. "Vendors are used to selling without invoices, which is what caused the spiraling prices that in some cases have tripled. Nevertheless, prices used to rise only for the first three or four days of Ramadhan and then settle back down to normal, but that has not happened this year. That is what forced us to act for the sole purpose of protecting consumers."

Yet it is the consumer who is still forced to foot the bill, as those in charge of controlling prices and quality are fully aware. Nevertheless, "the only solution is to put pressure on vendors so that they will demand invoices from the wholesalers," they say.

PSD [Destourian Socialist Party]: National Committee of Concentration

"The latest bulletin from the Government Council gives new reasons for concern and for doubting any real willingness on the part of the government to hear the voices that have been calling for reason for several months," the PSD says, adding that "it has become essential for the HCE [Higher State Council] to join with the opposition in opening a real debate on the economic policy to be implemented and on the management of the second transition."

"For that purpose, at the conclusion of the dialogue in question, the PSD proposes that a committee of concentration be set up to be comprised of representatives of the HCE, ANP [People's National Army], political parties, political figures, and the rest of civil society."

Action Plan To Resolve Water Shortages

93WN0334Z Algiers LIBERTE in French
23 Feb 93 p 4

[Article by Laradj Mahdjouba: "Thirsting for a Solution"]

[Text] The drought that has affected all of the western regions of the country for the past 10 years has given rise to a water crisis without precedent. Worse still, the region's drinking water supply has never been adequate in relation to the needs of residents.

The city of Oran offers sobering proof of this state of affairs. Officials at the Ministry of Equipment, headed by Mr. Mokdad Sifi, have taken this crucial problem to heart and are attempting to have it solved by the year 2000. As part of the effort, the equipment minister traveled to western Algeria to conduct inspections and working sessions. The first stop on the minister's itinerary was the city of Temouchent where he visited a potable water treatment and storage station.

This important project was explained to the minister by local water officials. The station has an actual storage capacity of about 13 million cubic meters. Unfortunately, the drought in this region has kept the level of water at an estimated 3 million cubic meters this year. This prompted the minister to instruct the appropriate

authorities to enact an emergency plan. After visiting Oued-Tafna and Dziuoua, Mr. Mokdad Sifi traveled to Oran for a meeting with water officials and the governors of the western provinces.

During this working session, Mr. Mokdad Sifi presented the outline of an action plan to make better use of water resources.

The minister stated that this year his department has launched an ambitious action plan involving urgent operations to meet the water supply needs of residents by the year 2000, as well as waste-water evacuation, exploration, and irrigation. The minister noted that the action

plan, which consists of seven broad categories, is primarily focussed on restoring networks so as to prevent future losses. The companies concerned will be urged to apply more rigorous management techniques, to recover payments owed to them, and to monitor their billing. With regard to waste-water evacuation and recycling, there are plans to build 110 water purification stations.

In response to the drought and Oran's water-supply problem, Mr. Mokdad Sifi stated that particular attention has been given to expanding Oran's drinking water supply by tapping into the Chlef River (500 million cubic meters a year).

Mechanism To Safeguard Human Rights Urged

93AF0457B Algiers EL WATAN in French
24 Feb 93 p 8

[Editorial by Djamel Labidi: "Mechanisms for Public Sanction of Torture"]

[Text] Human Rights Watch has officially confirmed that torture exists in Algeria. Just as officially, however, it states that "no more than 10 or so cases have been brought to the attention of Human Rights Watch."

The complete truth remains to be determined, not only with regard to torture, but also what is euphemistically termed "overstepping the law" or "unfortunate mistakes."

Indeed, it is difficult to believe that the full truth has come out and that such things will not happen again. The president of Human Rights Watch stated that "measures have been taken (legal proceedings, indictments, and suspensions) against the security agents" responsible for such actions. Much the same was said following the events of October, but that did not prevent the continued use of torture, of which there is proof.

Why did it take so long to confirm that torture is being practiced? When the president of the Algerian Human Rights League (LADDH), Attorney Ali Yahia Abdenour, decried the use of torture, he became the target of attacks in the press.

"We do not know...." "We have not been informed of any cases...." "No complaints have been filed." Invariably, the same excuses are heard and they echo other memories in the minds of Algerians. I was deeply disturbed when the vice president of Human Rights Watch responded to Attorney Ali Yahia's revelations with the same excuses in an interview with EL WATAN.

Is Human Rights Watch a distant observer, light-years removed from the reality? Does it merely wait for torture victims to come forward? As everyone knows, torture is used not only to extract confessions, but also to break its victims and force them to remain silent out of fear of reprisals and further torture.

A torture victim will not have the courage to accuse his torturers unless he trusts those he confides in and is assured of protection. That could well be the problem. In human rights matters, the credible organizations are those that actively defend human rights and seek out the truth without allowing political or other considerations to interfere in their work.

But more serious still is the silence that followed the horrifying acknowledgement by the president of Human Rights Watch that torture exists in Algeria: There was the silence of almost the entire press corps, despite its claims to have a "duty to inform" and a "duty to tell the truth." There was the silence of all those who profess to love "modernity" and to reject "obscurantism," but who

would not speak out against one of the worst manifestations of barbarism. What happened to the committees against torture that, in the aftermath of October 1988, called torture a disgrace, not only for those who engage in it but also for those who become accessories to it by their silence? Could there be such a thing as justifiable torture? Where are we going as a country? What has become of us?

Not long ago, former friends of mine, who were once very different people at the human level, made me shudder with their reactions to what I had said to them about torture: "What? Are you on the side of the terrorists? Look at what they are doing. If they were in power, things would be worse. Between us and the terrorists, it is a matter of life and death. The state has to defend itself."

The diabolical reasoning in that, in which one could lose one's soul, is to be rejected. That concept of the state, which threatens to reduce the state to a militia, is to be rejected. The state is worthy of its name only to the extent that it upholds and abides by the laws and essential values. That is what distinguishes the state from parochial interests and enables it to represent society as a whole. To cite the actions of an individual or group as justification for the state's actions is, in the end, to negate the state itself. By the same token, when the president of Human Rights Watch declares as he did on television that while cases of torture have occurred, terrorism is the more serious infringement of human rights, he runs the risk of becoming caught up in the kind of thinking that views torture relative to terrorism, eventually denying the gravity of torture.

The state of emergency does not constitute an extenuating circumstance justifying serious infringements of human rights and dignity. On the contrary, it requires more vigilance and rigor in that regard. Mechanisms by which infringements could be prevented or publicly sanctioned are necessary. There is an urgent need to form a national commission for the safeguard of human rights, as proposed by the LADDH. The commission must be truly independent (since the state cannot monitor its own actions) and endowed with full powers to carry out its mission.

Efforts by Health Ministry To Control Birthrate

93WE0269A Algiers EL WATAN in French
27 Jan 93 p 5

[Article by Inal-Chafika: "The 'D' Bomb"—first paragraph is EL WATAN introduction]

[Text] In recent years, Algeria's population, while still increasing, has nevertheless been doing so at a slower rate.

Already at the beginning of 1992, the Algerian resident population was close to the 26-million mark. In 1991, 773,000 babies were born, which represents a gross rate of 30.10 per thousand; there were 100,000 deaths, i.e., a gross death rate of six per thousand.

Birthrate Trends

In 1992, there were 5,000 births [sic] in the Algiers wilayah, i.e., 1.6 percent of the annual growth rate.

Every year, Algeria records some 25,000 births [sic].

Most women marry young, except in certain more or less well-educated social strata; hence a high birthrate: on the average 7.4 children for each married woman over 20 years of age and who remains married until age 45 to 49. According to a WHO study, the generations that reach marriageable age are increasingly numerous, which accounts in part for the demographic boom. The gross marriage rate is somehow consistent with population numbers.

As for the age of marriage, it has been considerably postponed, reaching unprecedented levels in 1992: 24 for women, 28 for men.

For certain categories of women, the fertility rate tends to decrease, because they get married later and because contraception is becoming more common. The less fertile women are more likely to live in towns, and to be educated or married to executives.

On the other hand, factors that currently prompt these women to have more children are improved public health conditions and the limitation of the breast-feeding period.

Infant mortality continues to decrease, but not as fast as in previous years.

In 1988, the infant mortality rate was 60.37, compared with 56.86 in 1991.

Natural Growth

The natural growth rate is said to have been decreasing recently, becoming stabilized at about 3.1 percent per year. According to official departments, at that rate the Algerian population will double every 20 years. We can thus credit Algeria with a population of 34 million by the year 2005. It is not certain that the birthrate will decline sufficiently fast in the immediate future to reduce Algeria's present natural growth rate.

Anyhow, many specialists believe that this ample growth rate may hinder development. The population is young, and half of it is under 25.

For a long time, the government rejected all birth-control policy, as they believed that the country was rich enough to feed all these mouths.

Recently things have changed. Family planning and birth control are even encouraged. But that does not go very far and has very little effect on the population increase of traditional societies, especially considering that the country's economic development policy relies more on technology than on people.

This leads to increased unemployment, especially among young people; such a phenomenon is hard to bear for longer periods.

Another negative effect of the population explosion is the emergence of shantytowns around urban centers. Housing availability has increased only insignificantly so far.

The risks are serious, especially as a flight from rural areas could not be slowed down significantly through coercive measures, which public opinion would be very unwilling to accept.

If the population continues to grow, this will have an impact on society. By the year 2000, we will need 7.2 million jobs and 4,000,000 housing units to meet the demand.

Currently, there are fears that the trend toward growth, which has been accelerating for several years, will continue. If the trend continues, the population will reach an unbelievable figure!

In view of these frightening figures and the negative impact they would have, the government has decided to make population growth control its priority. Some objectives were also included in the 1993 program:

- Intensified efforts with respect to family planning;
- Improvement in the presentation of contraceptive methods, in the way information is provided to women of a very low sociocultural level. In 1985, 25 percent of women used contraception; this rate rose to 33 percent in 1986 and 42 percent in 1991. So far, over one-half of the women of child-bearing age reject contraception. Some say that it goes against religion; others reject it because it results in conflict with their husbands or with their milieu.

Many have trouble understanding the information provided on television in a classical language that many women do not seem to understand. Others, finally, believe that contraceptive methods are the causes of several fatal diseases, cancers for instance.

The new program relies on midwives, who are better able to communicate with these women and can provide information to them as part of a specific program.

The Health Ministry provides contraceptives free of charge in all PMI [mother and child protection] centers, under their trade names: Adepal, Stediril, etc. Intra-uterine devices are also available upon request at all PMI centers. This is part of the program adopted in Algiers last December, at a seminar between all Directorates of Health and Population (DSP's) and the Ministry of Health and Population (MSP). As 1993 was declared "basic health care" year, the efforts of PMI centers alone will not be enough; hence the need to have operators from all sectors pool their efforts.

The objective of the program for the first quarter of 1993 is to break taboos through sex education, which must

take place at all levels, in schools and through parents talking to their children above a certain age, the better to establish prevention. The goal is also to set up PMI centers in all basic health sectors (general hospitals, health centers, treatment rooms). At the national level, 5,000 midwives will be retrained. The objective is to teach contraceptive methods.

The ministry will provide midwives with new instruments for their consultations, such as sterilizers and Scialytic lights (special lamps used during consultations with midwives).

Implementation of the family-planning program will become part of the medical studies curriculum.

The overall objective for 1993 is to exceed 50 percent in the rate of contraception use.

Currently, it is estimated that family-planning campaigns can be effective, because of the crisis.

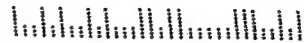
The economic argument is therefore more convincing today. It is an ambitious program, but its implementation might herald a less distressing economic future.

NTIS
ATTN PROCESS 103
5285 PORT ROYAL RD
SPRINGFIELD VA

2

22161

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.



This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.